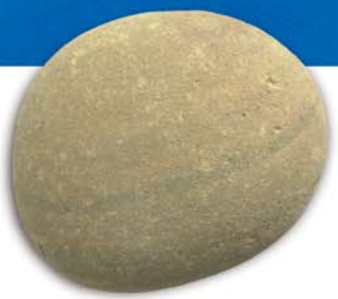
The Muttart Fellowships



Weaving through the Community:

Becoming a Responsive Board

Lindsay Ann Cooke

Each item in The Muttart Fellowship Products Series carries “the look” designed for the program. The concept incorporating pebbles and water fits with the Zen-like qualities of the visual identity of the Fellowship Program.

Each front-cover pebble is different—representing the uniqueness of each fellow and what s/he has to offer. Applicants are like pebbles among pebbles. After each is refreshed and renewed through the Fellowship year, s/he has an impact on the nonprofit charitable sector like the rings the pebble creates on a pond of water.

The varied use of this design recognizes the individuality of the Fellows while also creating a unified look to the Muttart Fellowship Products Series.

The Muttart Fellowship Program—unique in Canada—was created in 1996. A project of The Muttart Foundation, a private foundation based in Edmonton, Alberta, the program is designed to:

- develop research and other materials that will benefit the charitable sector in Canada.

- provide senior managers within the social-services sector with an opportunity for a sabbatical year—a chance to recharge and renew themselves.

Up to five fellowships are awarded each year to people working in senior-management positions in social-service charities within the Foundation's funding area—Alberta, Saskatchewan, Northwest Territories and Yukon.

During the Fellowship year, the Fellow leaves his or her agency to work on the chosen project. The Foundation makes a grant equal to the salary and benefit costs for the Fellow's position, and provides a budget for expenses related to the project. At the end of the Fellowship year, the Fellow returns to his or her agency for at least a year.

For more information about the project,
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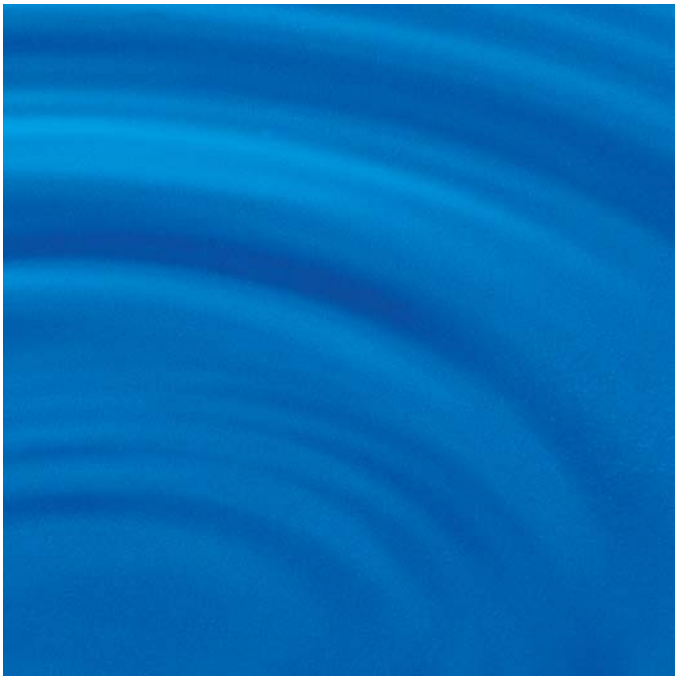

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Chapter 1

Salute to the Volunteer Board

You live in towns and cities, you live on ranches and reserves. When the first monthly Thursday or the second bimonthly Tuesday or perhaps the end of March arrives, you meet with others around your board table—not always sure why, but sensing deep down that your presence is important. You are the volunteer board members of 175,000 nonprofit organizations throughout Canada's provinces and territories.

You are one of more than 2 million Canadians who give freely of their time and energy to serve on nonprofit boards of directors (*Survey of Giving, Volunteering and Participating,* 1997). With your fellow board members, you guide the work of the nonprofit organization that has captured your interest. Ultimately you are responsible for its successes or failures. You may receive few thanks for your work as a board member, yet you soldier onward, strong in the belief that community life will in some way be better as a result of your efforts.

Volunteers and staff of nonprofit organizations contribute enormously to Canadian society. Some of these activities include arranging for the presentation of museum shows and symphonies, supporting people with disabilities to participate fully in community life, promoting self-determination and self-reliance for people of aboriginal descent, coaching minor league sports teams, educating the public and government about environmental issues, guiding us towards spiritual inspiration, raising money for medical research. Through the nonprofit sector, Canadians care for each other in all aspects of community life.

The nonprofit sector also enriches our Canadian democracy. The 1999 report entitled *Building on Strength* initiated by Canadian leaders in the nonprofit sector and prepared by a Panel on Accountability and Governance in the Voluntary Sector (PAGVS) affirms the democratic contribution of nonprofit organizations:

> From its earliest days, the sector has also been central to how our democracy works. Voluntary organizations bring their expertise in working with communities and individuals to public policy debates and identify social priorities to governments. Bearing public witness—even if that means being critical of government policy on occasion—continues to be a valuable contribution of the voluntary sector to building vibrant communities and a healthy democracy. The sector is also the most important means of engaging citizens with each other and with governments. Through voluntary action, Canadians today continue to learn to cooperate and to give of themselves—a process that builds trust and a sense of community. Through participation we acquire the basic skills of democratic life: how to find a voice and to use it for the common good. *(PAGVS, 1999, page 4)*

Your work as a board member is the most important for the care and nurture of your organization. The board of directors are the stewards, keeping the history and traditions of the organization alive, ensuring its present health and well-being and courageously leading it into the unknown, using your vision to imagine an organization of the future.

Background on the Nonprofit Sector

The nonprofit sector has many monikers—civil society, voluntary sector, nongovernmental organizations—and is a major component of Canadian society. In the late 1990s, it provided more than 1.3 million jobs and its annual revenues were estimated at $90.5 billion. *(Hall and Macpherson, 1997*). In 1997, 7.5 million Canadians did some kind of volunteer work through a nonprofit organization.

Before Confederation it was the work of nonprofit organization that transformed colonies of explorers, traders, and people of aboriginal descent into communities that cared for and nurtured their citizens. Today the major activities of the nonprofit sector can be classified into several large groupings:

- human and social services—support for people in need
- arts and cultural events
- churches and religious organizations

- economic and social development including housing
- sports groups
- education and research
- hospitals and universities
- environmental conservation, pollution control, and prevention activities
- promotion and protection of civil and human rights
- philanthropic grant-making
- promotion of development in countries abroad
- business and professional associations and unions
- a variety of additional nonprofit organizations that are not easily classified within the above groupings.

(These groupings came from the International Classification of Nonprofit Organizations developed by the Johns Hopkins Comparative Nonprofit Sector Project, a 22-nation comparative study.)

History records traces of ancient Egyptian, Greek, and Roman philanthropic or benevolent organizations operating libraries, academies, and other local charities. As far back as 2083 B.C., in Babylon, nonprofit organizations were operating. In medieval Europe, there were numerous types of nonprofit organizations: church parishioners or vestries provided social services; ecclesiastical foundations operated monasteries, almshouses, orphanages and schools; and artisans and craftsmen formed guilds. During the Renaissance, merchants created personal foundations for educational and local charitable purposes.

In 1601 in England a *Statute of Elizabeth* was enacted listing charitable activities as the repair of bridges and highways, the marriage of poor maids, the advancement of religion, and aid to persons decayed. This statute as it was modernized in 1891—happily without the poor maids or persons decayed—has survived within the legal system adopted in Canada. It remains the foundation for defining charitable activities in Canada today.

In the 20th century a powerful idea took hold in Canada, the idea that the role of government should expand to look after those most in need. Government took over to some extent activities previously performed by the Church and other charities. Government would guarantee a minimum level of support to all Canadians to ensure that their basic needs were met. *(Axworthy speech, April 2000)*

During the late 1960s and early 1970s, the federal government promoted citizen participation and "social animation" activities by providing grants to local organizations and by supporting the Company of Young Canadians who helped to expand the organizational capacity of disadvantaged communities. *(Pal, 1993, page 108)*

At the beginning of the 21st century, much of this thinking is being revisited. Government and businesses are assessing the tax burden on individual Canadians, and a strong lobby has emerged promoting reduced taxes. Corollary discussions about minimum levels of support for those in need and who funds it have not yet emerged. As a result there is uncertainty within the nonprofit sector about continued government commitment to finance much of this necessary work.

Adjusting to a consistently changing world, the nonprofit sector scrambles to find funding in ever-shifting ways. A few examples of this diversity within the sector are provided below:

- An organization receives funding from government to deliver services to women in abusive relationships.
- An organization dedicated to promoting the conservation of Canada's natural environment solicits funds from Canadian citizens through a direct mail campaign.
- A hospital has received generous funding from the government until recent cutbacks and has made up the shortfall through an expensive but highly successful fundraising campaign carried out by a hospital foundation.
- An atom hockey association enlists its young stars to go door to door selling chocolate bars to raise the money to travel to the tournament in Saskatchewan.
- A national firearms association organized to oppose the registration of firearms receives large financial contributions from arms manufacturing companies.

- A national librarian's association addressing the professional development of its members derives its income from membership fees.
- A university is well endowed by its alumni managing a annual budget of $300 million.
- A disability support organization that operates a restaurant employing people with disabilities uses any profits from the restaurant to hire job coaches.
- A gay women's organization with virtually no funding meets around a kitchen table to plan a political lobby to get new legislation that gives gay women same-sex couple rights.
- A "real" women's organization with virtually no funding meets around a kitchen table to plan a political lobby to ensure that the traditions of marriage remain in Canadian law.

Incorporation of Nonprofit Organizations

Incorporation of an organization provides some protection to its members from various debts and obligations for which the organization may become responsible. Lawyers often refer to this as **limited liability**. As well, incorporation structures the affairs and activities of the organization such that many business and government bodies feel more comfortable dealing with the organization. *(The Muttart Foundation, 1997, pages 8-9)*

Many nonprofit organizations are legally incorporated under their provincial or territorial acts. If the scope of the work is national in context an organization may become incorporated under the *Canadian Corporations Act.* Provincial and territorial acts may differ somewhat but are likely to follow along the lines of the national act.

To become incorporated as a nonprofit under the *Canadian Corporations Act,* an organization must have three components in place: people, mission, and nonprofit status.

People

- Two or more people are registered as directors of the board.
- These directors:
  - □ may or may not be elected;
  - □ are volunteers though some may get paid an honorarium;
  - □ may serve for an indeterminate period of time though many boards have established terms of service;
  - □ pass bylaws addressing membership and criteria for voting; holding of meetings; criteria for delegates to meetings; quorum; ways in which elections, if desired, are conducted; other concerns that the organizations want included in their bylaws such as indicating that board members are to be volunteers and not receive any remuneration for their positions.

Mission

- The mission must be seen to be conducted for the public good. Clause 118 of the Canadian Corporations Act states that incorporation may occur for a nonprofit organization "that has objects that are of a patriotic, religious, philanthropic, charitable, educational, agricultural, scientific, artistic, social, professional, fraternal, sporting, or athletic nature or that are of any other useful nature."

Nonprofit Status

- The board of directors do not take profits from the organization.
- The organization does not take profits but reinvests surplus money into measures to ensure the success of the mission.

The Canadian Charity Conundrum

Within the 175,000 nonprofit organizations in Canada is a subset of 78,000 charities registered under the federal *Income Tax Act*. Similar to the other nonprofits these charities do not pay income tax but, unlike their brothers and sisters in the nonprofit sector, charities may

give receipts for donations by individuals and corporations who can then claim their donations as tax credits and deductions.

Eligibility for official charitable status is a conundrum for Canadian nonprofit organizations, as there is no precise definition of a "charity" in the *Income Tax Act*. The roots of the concept lie in that early 17th century Elizabethan statute. The 1891 revision of this statute identified four charitable activities: relief of poverty, advancement of education, advancement of religion, and other purposes beneficial to the community. Within the modern Canadian context, regulators consider whether an organization applying for status is established exclusively for charitable purposes and whether there is an essential element of altruism.

In considering whether an organization is eligible for charitable status, Revenue Canada applies a rule specifying that a registered charity cannot spend more that 10 percent of its resources on political activities. As a result, Revenue Canada has denied charitable status for organizations focussing on, for example, women's rights, environmental protection, or race relations when it was considered that they are advocating for political change.

Should such an organization request charitable status based on the activity of education—in that the public is being educated about the issues-the Revenue Canada position has been that the education should be unbiased and not intended to persuade the learner to adopt a predetermined point of view.

The extent to which a nonprofit organization is beneficial to a community is an intriguing area. Who or what agency ultimately decides what is beneficial to a community? What criteria are used? How many people in a community must benefit from the activities or services of a nonprofit organization for it to qualify as a charity?

In 1999 the Panel on Accountability and Governance in the Voluntary Sector made distinct recommendations about charitable status.

> We must establish a new process for determining which organizations qualify for the benefits of status under the *Income Tax Act*. This definition must be made transparent *and* open to periodic change.... The core of a new policy would be the existing definition of charity, to which a list of other "public benefit" purposes would be added as also qualifying for access to the federal tax system. *(PAGVS, 1999, page 54)*

The panel also addressed the issue of charities involved in political advocacy. Its conclusion was to recommend:

> (We) reaffirm and maintain the legitimacy of space for non-partisan political advocacy. While partisan activities should continue to be forbidden, the right of bearing a public witness on an issue affecting the very purpose of a charitable organization should be affirmed. The rules governing advocacy activity need to be clarified in ways that can be better understood, that militate against arbitrary application and that cohere with the values of a healthy society. *(PAGVS, 1999, page 71)*

The Dawn of the Nonprofit Sector

Each nonprofit board does its work in its own individual way. Some board members are intricately involved in the details of administering the organization, especially if there are few or no paid staff. Some board members go door to door collecting donations for the organization. Some meet with Deputy Ministers. But all board members have one thing in common-when they meet as a board, they must govern the organization. This is the governance responsibility of a nonprofit board.

This publication *Weaving Through The Community* will carefully examine the important governance work of a nonprofit board. What are the essential ingredients to ensure its success? What are its responsibilities? How can the individual skills of volunteer board members best be put to use for the collective good?

As the various roles of the board are examined a common thread is found to be weaving throughout the sector. The thread illuminates the importance of a board being aware of and in touch with the community it wishes to serve. Boards that do this perform the most effectively and garner the most trust and respect.

Other governance roles of a nonprofit board considered are:

- board members recruitment including motivation of volunteer board members
- the shared vision of the nonprofit organization

- transforming the vision into action
- the creative tension of governance-the relationship between the paid staff and volunteer board
- the culture of the nonprofit board.

The research for this publication was undertaken during a 1999-2000 fellowship year supported by The Muttart Foundation. Primary research with five boards throughout Canada and one in the United States was conducted through meetings with board members and executive directors conducting extensive questionnaires. The boards who participated are: YWCA of Yellowknife, Stanton Regional Health Board of Yellowknife, United Way/Centraide Ottawa-Carleton, Boston Women's Health Book Collective, Southern Alberta Land Trust Society, and Native Women's of Canada (limited participation).

Analysed findings were enhanced by secondary materials by academics, consultants, and people working in the nonprofit sector. Additional information comes from personal insight garnered during six years as the executive director of the Yellowknife Association for Community Living.

In an effort to reflect diverse personal experiences by volunteer board members, introspective ramblings of board members of the fictitious "Helping Families—Helping Children" Association are scattered throughout the text.

Excitement has been bubbling to the surface of Canadian society—its energy surges from the millions of people, paid and volunteer, involved in the nonprofit sector. There is a sense that the time of the nonprofit sector has come and the nonprofit sector can do it better. This publication is offered as fuel to invigorate that energy.

Chapter 2
The Warp and the Weft

Chapter 2

The Warp and the Weft

Weaving in and out of the variations and permutations of organizations in the nonprofit sector is a common thread—the relationship that these organizations have with those they serve. Somewhat ethereal and easily unravelled, this thread when woven skillfully strengthens the community fabric. This relationship is not defined by legislation nor is it manifested in identical ways throughout the sector. It is delicate, and difficult to capture and delineate. Many would suggest that nonprofit organizations could improve by developing a more responsive relationship with their constituents.

How do nonprofits define their constituents? How well is the warp and the weft understood? Not particularly well according to Dr. Thomas Holland of the Institute for Nonprofit Organizations, University of Georgia, who has conducted extensive research on nonprofit boards. In recent research, he asked a large sample of boards from across the United States, "Who are your constituents?" and he reports that most boards did not know the answer. (Holland, 2000, oral presentation)

A Harvard publication found that corporate boards tend not to address the issue of a constituency.

> Directors usually don't share a strong consensus about accountability to various constituencies and, therefore, about their purposes in serving. Further, the norm in most boardrooms is to avoid discussing such matters." *(Lorsch and MacIver, 1989, page 38)*

Constituents are those people that the nonprofit organizations, after careful consideration, choose to serve. There are many different kinds of constituents: members, clients, board members, a broader community of people sharing similar interests, and the geographical community at large. Some organizations choose to serve only their board members. Some choose to serve a paid membership. Still others choose a larger community of interests.

A constituency may be defined as the interested people, organizations, families, funders, and customers that the organization wants to serve and with whom the organization want to learn, communicate, evolve, and ultimately work with to bring about change.

A relationship with constituents may be seen as a catalyst in the birth of a nonprofit organization. Certain people in a community develop a vision of how things could be better, they are ready to take action, they incorporate as a nonprofit organization. It may be that only a few individuals are initially committed to this vision. In Canada they have the right and the opportunity to organize around their cause.

Though, a nonprofit organization that wants to be successful in the pursuit of its vision will want to increase the number of people it inspires and serves. As board members share their vision widely they become more accountable and responsive to a constituency that forms around the vision.

Membership in Nonprofit Organizations

Membership is one formal way for nonprofit organizations to reach into a community to develop its constituency. An incorporated nonprofit organization sets its qualifications and conditions of membership within its bylaws. Often a fee, set by the board, is part of the requirement for membership. Some boards require members to make a commitment to the vision and support the organization and board in any public forums. In some organizations the only members of an organization are the board members. Most nonprofit organizations offer reciprocal benefits for members such as invitations to special events, delivery of a regular newsletter about the affairs of the organization, or a membership appreciation evening.

Members who make a commitment to the organization are a valuable resource to the board as it works to be responsive and accountable. Membership participation can enhance workshops that the board offers about the organization's vision and translating the vision into action. Members involved in the business or government sectors, or with specialized experience of a pertinent issue can add to the knowledge of the environment in which the organization operates. Advisory, ad hoc,

or standing committee work are areas in which members could become involved. Organizations will benefit greatly when they draw on the commitment, knowledge, and skills of their members.

Under the *Canadian Corporations Act*, nonprofit organizations must hold a meeting of the membership once a year. Often referred to as the annual general meeting, this gathering usually features election of the new board, ratification of changes to the bylaws, and an annual report including the financial statements. Nonprofit boards that are appointed or self-selected are also required to hold an annual meeting of the membership.

A board may want to include conditions within their bylaws that voting members be in good standing for at least six months before they are eligible to vote at meetings of the membership.

From the surveys conducted it was found that some nonprofit organizations have a limited membership base but are very interested in connecting with a constituency. The Boston Women's Health Book Collective is one such example.

Constituency
Boston Women's Health Book Collective

The board members are the only members of the Boston Women's Health Book Collective. However, this organization seeks to collaborate with a wide range of groups around the world who could be considered its constituents. Lately it has focussed on developing good relationships with Latinas, immigrant women, and young women.

Claudine Mussuto, the financial/administrative manager, indicates that the organization is conducting community-based discussions to discover what these three constituent groups want. "We have tried very hard to maintain an open and meaningful dialogue," Mussuto notes. The organization also wants to share its resources: "We want people to know that we can represent their views at the policy tables to which we are invited and to the media. We have local, national, and international connections as well as excellent relationships with the media." Mussuto adds that the book the Collective publishes, *Our Bodies, Ourselves*, is used as a tool to open this dialogue.

Constituency
United Way/Centraide of Ottawa-Carleton

Although the membership of the United Way/Centraide of Ottawa-Carleton is very large, it continues to explore ways to make connections with other community organizations to reach a larger constituency.

The United Way/Centraide of Ottawa-Carleton has various kinds of members. Any person over the age of 18 years who makes a financial contribution to the Ottawa-Carleton United Way becomes a member until the end of the calendar year. The organization also has institutional members of two kinds: those that receive funding from the United Way and organizations or agencies that participate in fundraising and receive approval of the board of directors. Such institutional members can appoint not more than five voting delegates to attend the annual general meeting and other meetings of the membership. At least fifty members must be present at any membership meeting.

The Ottawa-Carleton United Way uses the media to communicate with its members and constituents. It has joined many interagency initiatives to communicate with a broader constituency. It also produces a newsletter that is sent out to donors who have contributed more than $1,000 to its annual fundraising campaign.

Michael Allen, the executive director, notes that board members also have an important role to play in connecting with the organization's constituents. "The board provides an extension to management in our pursuit of reaching into the community. We need board members to connect and communicate with the community. This is an important board role."

A board will want to think carefully about what they expect of members, what conditions they place on membership, and what members may expect in return before undertaking a membership drive. And it is to be noted that not all boards and their executive directors have the time or the inclination to develop a broad membership base. One executive director in the survey noted that, with regard to expanding the membership, there's "No time, no resources, and many, many more pressing issues."

Increasing Citizen Participation

John Carver, who has developed a very clear and precise approach to board governance, has written about the importance of connecting to a constituency. Carver calls this process "linking with the ownership" in his book *Boards that Make a Difference*. "The board should continually struggle to define and link with its ownership. It should do so with the same vigor it would have if owners were organized and looking over the board's shoulder." *(Carver, 1997, page 136)*

Carver further explains: "A board of directors is established to gather the desires of multiple owners and to translate these competing wishes (for short-term versus long-term gain, for example, or for emerging markets versus historically proven ones) into strategic direction...The board's job is to gather and process input from the owners." *(Carver, 1995, page 10)*

Through linking with the ownership, the nonprofit organization increases citizen participation and engagement that is of benefit to all sectors of society according to Robert Putnam of Harvard University. Putnam discusses "social capital," a term he uses to "call attention to the ways in which our lives are made more productive by social ties"*(Putnam, 2000, page 19)*. He associates social capital with social connections and networks in combination with the concept of "reciprocity," which is the repeated contact people have with others through clubs, organizations, and social networks leading to "cultural reciprocity" or mutual obligations. Putnam notes that reciprocity can be "specific: I'll do this for you if you do that for me. Even more valuable, however, is a norm of *generalized* reciprocity: I'll do this for you without expecting anything specific back from you, in the confident expectation that someone else will do something for me down the road." *(Putnam, 2000, pages 20-21)* It is this notion of generalized reciprocity that may be one of the driving forces of the voluntary efforts of nonprofit organizations.

Putnam believes that a community with a good deal of social capital builds trust among citizens and thereby enhances all of society's capacity for collaboration and cooperative endeavours. "Voluntary cooperation is easier in a community that has inherited a substantial stock of social capital, in the form of norms of reciprocity and networks of civic engagement." *(Putnam, 1993, page 167)*

In Putnam's study of democracy in Italy he finds that besides building and contributing to social trust and mutual cooperation among citizens, social capital contributes to more efficient government and a stronger economy. "...social capital, as embodied in horizontal networks of civic engagement, bolsters the performance of the polity and the economy, rather than the reverse: Strong society, strong economy, strong society, strong state." *(Putnam, 1993, page 176)*

Nonprofit organizations are key to developing a "strong society." They are well-placed within our societal strata to develop and embellish a relationship with citizens. And both the nonprofit organization and its constituency gain through this relationship. The organization gains the trust of the citizens it wishes to serve, is more attuned to their needs, has a broader base from which to seek strategies and ideas, may explore new ways of thinking, becomes more accountable in the eyes of the community at large and funders, and does a better job for customers.

Citizens within the constituency will learn as well as contribute to this relationship. They are provided with opportunities to delve into issues at some depth and discuss them with a variety of people. They become more informed and involved in community life, gain confidence to face government and business challenges, and develop leadership skills. Social trust and mutual cooperation among citizens is enhanced.

Dispelling the Malaise

It is through the relationship between the nonprofit organization and its constituency that much of the criticism and doubting of the sector can be addressed. A vibrant and involved constituency with a committed and respectful board and staff of a nonprofit organization will do much to dispel the questions that hover like a damp mist over the sector. Are the donations and grants being well spent? Is the organization helping itself more than its constituents?

The Canadian Panel on Accountability and Governance in the Voluntary Sector notes the uneasiness the Canadian public feels regarding the nonprofit sector and the determination within the sector to regain the trust of the Canadian public:

> Recent changes in Canadian attitudes have also created new challenges for the sector in two ways. First, there has been a general decline in trust in all public institutions and greater public scrutiny of the private sector as well as the voluntary sector. Although Canadians have a continuing belief in the sector and high expectations of it, they are looking more closely at how the voluntary sector works and how it spends its donated money. This public skepticism has been reinforced by an aggressive media. While a small number of disreputable organizations or activities are inevitable in the sector, the sector itself wishes to take all possible steps to develop ways of minimizing and containing these occurrences and building the confidence of the public in the sector as a whole. Second, as in other developed democracies, Canadians have a strong and growing desire to participate in causes and issues that affect them....
>
> Voluntary organizations have had to respond to these challenges in order to survive and thrive. From the smallest and informal to the largest and most sophisticated organizations, leaders in the sector have been thinking about how to be more responsive, how to do more (and better) with less, and how to work in more transparent ways. A central aspect of this self-assessment involves examining the basic principles of governance and accountability."*(PAGVS, 1999, page 6)*

As noted in the PAGVS report, there is also skepticism related to the operations of elected councils and legislatures across the country. Canadians are more and more disenchanted with the way that our elected governments make decisions, administer programs, and set policy. Government is feeling greater pressure to take a hard look at its own governance and accountability. It is to be hoped, as the nonprofit sector expands its knowledge and practices of good governance and develops a more meaningful relationship with its constituency, the resulting accountability will provide valuable models for governance in other sectors.

Weaving Through the Constituency

There are many ways of weaving into the fabric of your constituency once your board has a clear idea about who your organization serves. Some boards may have to stifle desires to represent everyone, all of the time—an impossible task. Recognizing the limitations of your organization while remaining open to new ways of doing your work are important parameters of this process. Boards can break new ground as they consciously focus on who they wish to serve and how to do so.

Listen to the Unheard Voices

Search for ways to hear from members of your identified constituency who may not participate in public activities in your community. Be creative in identifying and listening for voices that are often unheard. For instance, if your board wants to reach out to people with mental illnesses and their families, you must develop ways to find these people and understand what they have to say. Perhaps staff could meet people at a drop-in centre in the community. As people gain confidence engaging with your organization's staff, they may express an interest in the services you offer. Written materials about your board and organization could be left at the drop-in centre.

If your board wants to develop a relationship with families on a low income, your organization could offer childcare with a complementary pizza lunch while hosting a short discussion about the ideas and needs of the families attending and the services your organization offers and could develop.

Your board may also form collaborations and partnerships with other agencies that provide services to people with whom your organization wants to be in touch. A partnership with a shelter for the homeless, for instance, could provide you with valuable understanding and ways to communicate with the homeless.

The board must make efforts to go out into the community to reach the disenfranchised. It is not likely that these people will feel comfortable at your board table or at a public forum in a meeting room in a downtown hotel.

Conduct Surveys and Focus Groups

Conducting surveys and focus groups can put you in touch with the views of your identified constituents. Communicate clearly with any consultants hired for this task to ensure that they are willing to work in innovative ways and with the appropriate sensitivity that your board is seeking. Though surveys and focus groups may be costly government will likely benefit from the information you access and may provide funding to undertake this work.

Connecting to a Constituency
Yellowknife YWCA

Lyda Fuller, the Executive Director of the YWCA in Yellowknife, Northwest Territories explains that her agency is working in partnership with one federal and two territorial departments as well as two nonprofit community agencies to conduct an N.W.T. Disability Needs Assessment. Other ways that she becomes aware of the needs in the community include her participation with a variety of interagency coalitions and through the contracted evaluations of the YWCA's current services.

Sharla Carroll, a board member with the YWCA, feels that there is great scope for the nonprofit sector to partner with government to ensure that high quality needs assessments are conducted. "Government has a role in this and the nonprofit sector could become an important ally in getting this work done."

Hold Public Meetings

As some governments have chosen, so may the nonprofit sector decide to include a public consultation component as part of their decision-making processes. The format and quality of the information gathered are key to the success of a consultation. Katherine Graham and Susan Phillips of Carleton University, when researching local government consultations, note that an organization must look at how extensive the consultation is to be-are large numbers of people involved with fairly minimal individual contributions or are there a few people involved with a large donation of time by each participant?

> Sponsors must also decide whether to involve citizens speaking and participating as individuals or as representatives of interest groups or constituencies speaking on behalf of others. These alternatives encompass important trade-offs. While the advantages of reaching large numbers of people are that awareness of an issue is raised in the population as a whole and people have an opportunity to vent their feelings, the minimal commitment involved in going to a public meeting or responding to a customer survey seldom changes people's views or empowers communities. In contrast, small groups of participants selected by the government may be likely to develop innovative solutions and to reach a consensus, but they also run the risk of being condemned by those on the outside as elitist or as unrepresentative. In the current political climate, the ability to be representative and to

> reach out to traditionally underrepresented communities is absolutely essential. Yet, government departments often avoid these difficult questions of representation, relying instead on the methods chosen to draw out those who are interested. It is often wrongly assumed that lack of involvement is due to apathy rather than due to techniques that are ill-suited to involving the target populations. In short, getting the right people, in the right context, and vice versa, is key to effective engagements. *(Graham and Phillips, 1998, page 9)*

Jannice Moore, who is a coach to boards working with the Carver model, has written:

> Don't be lulled into thinking you have fulfilled your obligation to achieve ownership linkage with one or two "public meetings" a year, at which the community's "squeaky wheels" have an opportunity to be heard. Such input may be part of hearing from the owners, but it is neither representative nor sufficient." *(Moore, 1999, page 2)*

The way in which a board designs its consultations is critical to its success. This task requires careful planning and testing. The board may not get the level of consultation that it wants in one way and will have to rethink and redesign its consultation approach.

Inform and Educate Others

Organization leaders, staff, board members, and the community at large will benefit from an educational presentation-perhaps at the annual general meeting-on an issue of importance to your mission. Perhaps a particularly controversial or innovative area of work being undertaken would interest people in the community who would appreciate the opportunity to listen to information or participate in informal discussions, public meetings, or day-long workshops. It is important that people participating feel that their commitment of time and ideas are of value and are put to good use by the nonprofit organization; some form of feedback in a report or newsletter can provide participants with such assurance. Ensure that such events are well-publicized before and covered by the media.

Produce Clear Public Awareness Materials

Within the constraints of budget, clear public awareness materials such as pamphlets, posters, radio spots, and television public service

announcements are excellent ways to increase awareness of a board's vision. When carefully and professionally produced and dispersed throughout the community, these materials can present coherent, clear, and focussed messages. A board member may want to write about the organization in a local newspaper at regular intervals.

To raise its public profile, an organization may consider organizing a float for a parade or entering a team into a corporate challenge. Participation in such events will enhance public awareness about the organization and can be fun for board members, staff, customers, and community members who take part.

Collaborate and Share Resources

Nonprofit organizations that have overlapping constituencies can collaborate in many ways. Through joint endeavours, coalitions and formal partnerships collaborating agencies become better connected with the people they wish to serve. No portion of any population is owned by one agency alone and when two or more agencies work together to communicate with a constituency, the chances of success can be greatly increased. To promote understanding of both boards' work and open the doors to new ways of collaborating, board members from one organization could make presentations at another organization's board meetings.

If your organization has a board room or an activity room that is not always in use, consider allowing other nonprofit organizations to use this space at no charge. This promotes the image of your organization and increases interest in its mission.

Study and Ask Questions

Ideally, board members are willing to meet with members of their organization's constituency to discuss issues and ask questions. If such efforts are to be fairly formal or focussed, the board could craft a series of specific questions together, then commit to ask them of perhaps 10 people in the identified constituency. It is important that board members have a clear idea about how answers to such questions will be analysed and used by the organization. By asking the questions and entering discussions board members become more directly involved and more aware of the people whom they wish to serve.

The Fabric Woven

The way in which a nonprofit board works to connect with its constituency cannot be prescribed. Like the sector itself, this relationship is better left to evolve and enlighten in many varying and organic ways.

Nonprofit organizations, businesses, and government all gain when citizens are included, consulted, and participating. Citizens are better able to provide clear positions to government officials, politicians, and businesses where there are nonprofit organizations encouraging citizens to think, discuss, ask questions, and learn together. Through this process citizens learn about differences, about the complexity of issues, and about how to be open to new ways of seeing things.

According to Robert Putnam, there is much modern inquiry into the linkages between "social capital" and economic performance. He points to a "social capital approach" in California's Silicon Valley.

> Led by a small group of computer entrepreneurs, and aided by a resource-rich university community, Silicon Valley emerged as the world capital of high-tech development and manufacturing. The success is due largely to the horizontal networks of informal and formal cooperation that developed among fledgling companies in the area. Although nominally competitors, these companies' leaders shared information, problem-solving techniques, and, perhaps just as important, beers after work. They developed trade associations, industry conferences, and even a "Homebrew Computer Club," a hobbyists' group from whose ranks came the leaders of more than 20 computer companies. *(Putnam, 2000, page 324)*

The nonprofit sector cannot promise to bring consensus on everything to everyone throughout Canada, but it can foster participation by citizens who feel validated by being meaningfully involved in understanding difficult issues, who have learned to work with others, and who have learned to communicate their points of view clearly. When nonprofit boards make the commitment to involve a constituency, they are actively contributing to the expression of a healthy democracy.

Chapter 3
The Servant Leader

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The Servant Leader

It is important that an organization offers a positive experience for its volunteer board members. When board members are animated, dedicated, and learning from their work, the excitement in the boardroom permeates throughout the community and in itself builds bridges to a broader constituency.

There are many different reasons that people volunteer to serve on boards. In his 1990 guidebook, Cyril Houle identified the following:

> personal enrichment, fun, prestige, nostalgia, sentiment, friendships, opportunities for business, professional and social contacts, desire for change, honour, privilege, psychic rewards, visibility, societal recognition, challenge of governance, and a feeling of accomplishment. *(Houle, 1990, page 26)*

Responses to questionnaires conducted with board members for this study also revealed a range of varying motivations: along with a moral sense of obligation, board members indicated that service to the community and a strong belief in the vision of the organization motivated them, as well as a desire to volunteer in exchange for personal opportunities and benefits. In response to the question "Why do you volunteer?" board members provided the following sample of motivations:

- I have a sense of duty to volunteer.
- I want a better community for my children—I am selfish that way.
- I have enjoyed the people—I have enjoyed the issues.
- I want to give back to the community.
- The goals of the organization are ones I believe in.

- I can broaden business contacts in dealing with people of influence on senior boards.
- Work with a board is more interesting and challenging than my paying job.
- I have an obligation to assist.
- My moral convictions are to give away some of my time.

There are some people who really don't quite know why they are volunteering, as in the case of Lisa, who is on the fictitious "Helping Families—Helping Children" board.

> It's the second Tuesday of the month and the kids have settled into their homework, the dog has been walked, and Lisa is heading out the door to an evening in the boardroom discussing the needs of high-risk families. She'll enjoy seeing Fred, the retired school principal who has led the fundraising campaign for the Family Resource Centre. And she'll share some of the strategies that she's been mulling over since last month on how to reach lower income families. The chair is a bit of a busybody but she always brings donuts.
>
> Lisa is running late: it's a quarter to seven and she's driving through the snowstorm cursing the car in front of her and wondering what she'll say about Friday's bake sale fiasco. Pernicious thoughts are re-entering her consciousness: "Why do I bother with this board work anyway? It's not as if I don't have enough to do already. And the Chair is always hinting that I haven't pulled my weight...." When the time comes, Lisa will report politely on the bake sale and the outreach strategies, smile at the meddlesome matron, and even feel a noticeable sense of satisfaction by the end of the meeting.

Of the 7.5 million Canadians in 1997 who volunteered their time and skills, the Canadian National Survey of Giving, Volunteering, and Participating found that those engaged in a religious practice volunteered at a higher rate than those not affiliated with a religion. Religious teachings reinforce a sense of serving others. For many people the motivation for volunteering may come from the sense of spiritual well-being that it derives.

Sharing with Others

Within the Jewish faith are clear teachings on sharing with others less fortunate explained in the *Tsedakah* (derived from the Hebrew tsedek), which means "justice or righteousness." There are eight degrees of Tsedakah according to Maimonides, a 12th century Jewish sage, each one higher than the previous one. Though some of the degrees of Tsedakah refer directly to gifts of money, the philosophy applies to any giving—and certainly to the sharing of time and skills that a board member gives.

- Those who give grudgingly, reluctantly, or with regret.
- Those who give less than is fitting, but give graciously.
- Those who give what is fitting, but only after being asked.
- Those who give before being asked.
- Those who give without knowing to whom, although the recipients know the identity of the donors.
- Those who give without making their identity known to the recipient.
- Those who give without knowing to whom, neither do the recipients know from whom they receive.
- Those who assist others by a gift or loan, by making them business partners, or by finding them employment thereby helping them to dispense with the aid of others.

The concept of Tsedakah is based on the sense that justice requires sharing. Wealth is not so much a reward for past good deeds as an opportunity for future ones according to the United Jewish Appeal of Toronto that makes reference to the Tsedakah as it seeks bequests and endowments.

A Christian theologian suggests that, because the nature of God is compassionate and just, a good community regulates itself to emulate this compassion and justice. Thus, within Christian communities, people developed a collective responsibility to have compassion and be just to those less fortunate. The financial offerings and charitable services that people give through the Church are for the sake of the community. "None of this is done to make you feel good," the Reverend

Doctor George Hermanson of the Trinity St. Andrew's Church in Renfrew, Ontario explains. "If you are able to detach yourself from ego needs and give freely, you will become a more full and harmonious person because you are right with God."

Dr. Hermanson notes that "radical individualism" in the modern age diminishes this sense of collective responsibility. "People are putting their personal ego needs before all else. We need a public debate about our belief systems," he says. "What you believe and the values you have really makes a difference to what the world becomes." *(personal communication, 2000)*

As fewer people attend churches or engage in religious activity, it seems that many Canadians are losing contact with leaders who promote the sense of collective responsibility and caring for those who are less fortunate than ourselves. It is also possible that there are fewer leaders encouraging people to give freely of their time, skills, and money to help others in need or leaders that encourage people to hear and apply these teachings and make sense of them in this day and age. Some insightful thoughts on these issues come from Robert Greenleaf and his concept of "servant leadership."

Greenleaf Teachings

Robert Greenleaf was a visionary of the 20th century who spent most of his working life in the field of research and education at the large for-profit organization, AT&T, in the United States. He has developed the concept of the "servant leader," the woman or man who has an inborn sense that they want to serve before all else. The servant leader works to ensure that other people's highest priority needs are being met. "Do those served grow as persons? Do they, *while being served*, become healthier, wiser, freer, and more likely themselves to become servants? And, what is the effect on the least privileged in society: will he benefit, or, at least, will he not be further deprived? Greenleaf asks in *The Servant as Leader (1970, page 7)*. Greenleaf urges business leaders as well as nonprofit leaders and board members to serve the needs of others, including employees, customers, and the community at large.

Greenleaf perceives the servant leader as someone able to envision the big dream and articulate it clearly. She has an intuitive sense for the unknowable. Before decisions are made, she gathers as much

information as possible, assesses the widest possible range of choices, and then brings her intuition into play—jumping the gap between that which is known and the unknowable—to make the right decision.

Greenleaf talks of intuition as "a *feel* for patterns, the ability to generalize based on what has happened previously." *(Greenleaf, 1970, page 15)*. Through the use of this intuition, a servant leader makes better decisions and has better judgement than most. By cultivating a consistent awareness of oneself and the surrounding world, the servant leader nurtures his or her abilities. "When one is aware, there is more than the usual alertness, more intense contact with the immediate situation, and more is stored away in the unconscious computer to produce intuitive insights in the future when needed." *(Greenleaf, 1970, page 19).*

To be successful the servant leader must elicit trust. Those being served by a leader must have confidence in his or her values, competence, judgement, and sustaining spirit that will support the leader's tenacious pursuit of hopes and dreams. Listening with intent is another important attribute of a servant leader as Greenleaf notes: "Listening builds strength in other people" *(Greenleaf, 1970, page 10)*. Leaders who listen, empathize, and accept those around them are more likely to be trusted.

Greenleaf's approach to leadership encompasses visioning and practicality. In his words, the servant leader must always live at two levels: in the real world "concerned, responsible, effective, value-oriented" and also detached from that world "riding above it, seeing today's events, and seeing oneself deeply involved in today's events, in the perspective of a long sweep of history and projected into the indefinite future. Such a split enables one to better foresee the unforeseeable." *(Greenleaf, 1970, pages 18-19)*

Volunteer board members can learn about and apply aspects of Greenleaf's servant leadership to their work. They may initially join a board for personal reasons, perhaps to expand professional and social networks. As they attend meetings, they learn about the board's inspiring vision and outreach to a broad constituency. Board members become inspired by the relationship that the board is building with community people. As their understanding expands, they perceive that both the organization and community are learning a good deal through this process and their commitment and motivation as organizational leaders deepens. They are better serving the people for whom their organizations were formed; they are becoming servant leaders.

The Metaphysics of Serving

The metaphysical paradox of servant leadership is that, as the leaders serve others, they are actually serving themselves in a higher sense. All human beings, whether consciously or not, are searching for an elusive peace with themselves and the world in which they live. And it evades most. Many wise men and women have shared knowledge of how to serve our spiritual selves by connecting to the whole, the larger picture. Albert Einstein has spoken of freeing ourselves from too narrow a perspective:

> (The human being) experiences himself, his thoughts and feelings as something separated from the rest—a kind of optical delusion of our consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty. *(Quoted in The Fifth Discipline, Senge,1990, page 170)*

Robert Greenleaf talks about the servant leader who is searching for his own healing as she or he serves others.

> This is an interesting word, healing, with its meaning "to make whole." ... It is always something sought. Perhaps, as with the minister and the doctor, the servant-leader must also acknowledge that his own healing is his motivation. There is something subtle communicated to one who is being served and led, if, implicit in the compact between servant-leader and led, is the understanding that the search for wholeness is something they share. *(Greenleaf, 1970, page 27)*

Saul Alinsky organized the poor to fight for their rights as citizens throughout the United States in the 1930s and 1940s. He stresses that to be a realist in the world one must acknowledge the prevalence of self-interest.

> From the great teachers of Judeo-Christian morality and the philosophers, to the economists, and to the wise observers of the politics of man, there has always been universal agreement on the part that self-interest plays as a prime moving force in man's behaviour. The importance of self-interest has never been challenged; it has been accepted as an inevitable fact of life... Adam Smith, in *The Wealth of Nations*, noted that "it is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard of their own interest.

> We address ourselves not to their humanity, but to their self-love, and never talk to them of our own necessities, but of their advantage." *(Quoted in Rules for Radicals, Alinsky, 1972, page 53 - 54).*
>
> We repeatedly get caught in this conflict between our professed moral principles and the real reasons why we do things—to wit, our self-interest. We are always able to mask those real reasons in words of beneficent goodness—freedom, justice, and so on. Such tears as appear in the fabric of this moral masquerade sometimes embarrass us. *(Alinsky, 1972, page 58)*
>
> ...With all this there is that wondrous quality of man that from time to time floods over the natural dams of survival and self-interest. We witnessed it in the summer of 1964 when white college students risked their lives to carry the torch of human freedom into darkest Mississippi ... These are the exceptions to the rule, but there have been enough of them flashing through the murky past of history to suggest that these episodic transfigurations of the human spirit are more than the flash of fireflies. *(Alinsky, 1972, page 59)*

It is most likely that board members and others are, at least partially, motivated to volunteer by their own self-interest. But, there may be different levels of self-interest: that to which Adam Smith refers to as "self-love" or "advantage" and that to which Robert Greenleaf refers as "healing." Even Saul Alinsky, though embarrassed by self-interest masquerading as freedom and justice, allows for some depth within the human spirit that transcends the usual and truly serves others while also truly serving the spirit itself.

Board members volunteer to serve for a variety of reasons—some are motivated by serving their community, some are looking for personal opportunities. But the initial motivation may not matter a great deal if a board is committed to a vision that connects and serves people in the community. Then there is the opportunity for the board members to evolve, healing themselves as they heal others, and discover the freedom of true servant leadership.

Chapter 4
Introducing Change

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Introducing Change

Most nonprofit boards hope to bring change into their communities so that they are healthier, happier, and more supportive places in which to live. The recruitment of board members is a cornerstone to the success that a board will have in bringing about change. Board member recruitment must be planned carefully and undertaken by experienced people who understand and appreciate the process.

A nominations committee should be appointed at least four months in advance of the final selection of the new board. It is useful for this committee to have the board identify the qualities it is seeking among new members. Not every new member will have all of the listed qualities, although the board may need each new member to possess at least one of the qualities identified.

Every board is unique and each will have its own requirements. Some qualities a board may seek in new members are provided in a publication of The Muttart Foundation entitled *Board Building: Recruiting and Developing Effective Board Members for Not-for-Profit Organizations*. *(1999, pages 27-32)* Some of these and additional qualities that nominations committees could seek out in prospective board members are:

- commitment to the vision. The pull towards a goal that the members of the board want to achieve grows as board members work together and with the community.

- willing team members. People who enjoy working with others create a group environment where energies harmonize and work is efficiently directed to commonly understood goals.

- ability to commit adequate time.

- future focus. Board members who understand the evolution of trends can prepare for changes in the outside environment that affect the work of the organization.

- good communicators. People with this skill are able to state their positions clearly, listen carefully, and understand others both in the boardroom and in the community.

- strategic thinkers. People who shape a strategy for the future can cultivate and concentrate on processes that remain focussed on the strategic direction.

- positive responders to challenges. People who recognize the complexities and subtleties of issues can accept that not everything is crystal clear; difficult issues take time to resolve; the extent of the work can be managed.

- willingness to learn. People make excellent board members when they are open to new ways of thinking.

- contribution to the board diversity. The board may want diversity in some or all of the following areas: age, socio-economics, gender, urban/rural mix, ability, and ethnocultural.

- offering skills needed at the board level. Accounting, law, fundraising, and first-hand experience with the people that the organization serves are useful skills to boards.

- people who receive services or participate in activities offered by the organization can offer important insights at the board level.

- those who have previously served on a board.

- those who have a sphere of influence.

- seekers. Robert Greenleaf suggests that leaders also be seekers: Seekers are “humble, open, and dedicated listeners ... The seeker contributes ever-alert awareness and constant contact with available resources: spiritual, psychological, and material... they share a discipline which sustains them as persons who are always prepared to respond to a new (but carefully examined) rebinding influence.” *(Greenleaf, 1998, page 160 & 162)*

Recruitment of new board members is an ongoing process. Interested people may not have the time to make the commitment when they are first contacted. It may take years to attract members with the qualities a board identifies as desirable. Some organizations encourage temporary or short-term service to maintain the interest of prospective future board members. Such people could serve as advisory committee members, assist with a special project, or participate in an ad hoc committee. Young people could get involved through youth programs. In these ways people become familiar with the organization and how it works and in time may become sufficiently interested in the organization to join the board.

A variety of approaches can be used to find people with the qualities needed. One is to consider people who are using the services of the organization, their families, other interested community residents and to ensure that their needs and values are reflected on the board. Ask the staff of your organization if they have suggestions for prospective board members. Look in the business and government sectors; check churches, service clubs, and volunteer centres. Encourage people who may not have had experience with boards but have an interest and skills to offer. Cast a broad net and hope to enmesh local people with the time and energy to work towards your organization's mission.

National and provincial boards of large organizations can recruit new members from related boards. Thus national board members may be appointed from provincial organizations, and provincial board members may be appointed from local organizations. Still, the national and provincial boards will benefit from circulating lists of qualities they need in new members to build a stronger leadership committed to serving member organizations.

Once the nominations committee searches for prospective people as new board members, the board must select successful candidates from among them. Many organizations are required by their bylaws to elect the board. It is to be hoped that the hard work of the nominations committee will pay off and those most qualified for the board job will be successful in the election.

In the fictitious "Helping Families—Helping Children Association," Michael, a civil engineer, has been selected to head up the search for new board members. Without a great deal of experience, he goes about this task.

Michael is wondering why the chair has asked him to head up the one-person nominations committee as she's the one with all the social connections in town and would seem better suited for the job. He remembers when Lisa approached him last year—what was it she said? That the Healthy Families—Healthy Children Association needed a board member with some planning experience and his name had come up. Come up from where, he wonders.

What's on that list of things that the board is looking for? Five people that are future-focussed, systems-thinkers, risk-takers who respond positively to challenges, and people with the extra time required to spend on board business. Michael ponders the meaning of a "systems-thinker."

There was also the suggestion to get people on the board from families who have had contact with the child welfare system. All new members are to have a passion for the mission "To support birth families to raise their children in a safe and nurturing home environment." Could anyone not support that mission?

Michael remembers the astrologer whose tax return he prepared—she seemed bright and definitely has a "future focus"; the banker whose retirement party he attended last month—Frank and the chair are retired types so he should fit in; and some mother who has had experience with the child welfare system—perhaps the mother may have developed skills as a systems-thinker??

Now, where did he put the flyer that the astrologer left him?

A variety of fulfilling experiences can be explored through volunteer board work. Some of the opportunities of becoming a board member are:

- giving unselfishly to benefit the welfare of others
- helping a cause in which they personally believe
- exploring new patterns of thinking
- networking with others

- using skills and experience
- exploring career development options
- developing leadership skills
- adding balance to paid work
- feeling personally fulfilled
- expanding business, professional, and social contacts
- having fun
- gaining recognition
- working for societal change.

With good and diverse qualities represented around the table, and a commitment to work together to achieve a mission, board members are in a unique position of having an impact on life in the community. Through diversification of its membership, the board becomes more responsive, accountable to the community, and effective as a change catalyst.

Diverse Knowledge and Experience

The story has been told of a member of a nonprofit board offering to deliver large information packages to five other board members. When asked if this might be an undue burden, she responded that it was not in the least a problem because all five people lived on her street! Some boards reach further into a community than others.

Is diversity desirable for your board or for the organization you serve? When you look around the board table, do you see a gathering of people reflecting the diversity of your community? Is there a mixture of cultural backgrounds, income levels, and ages? Is it necessary for men and women to be more equally represented? Could board diversity improve responsiveness towards the community your organization works for? Diversity was carefully considered by many boards in this research. In particular, the Boston Women's Health Book Collective went through much soul-searching about diversity.

Experiences with Diversity
Boston Women's Health Book Collective

By the 1990s all board members of the Boston Women's Health Book Collective were middle class white women, most of whom had a high level of education and few financial pressures. By contrast, half of the staff was comprised of women of colour whose circumstances generally differed from those of the board members. One founding board member, Wendy Sanford, recollects: "There was structural racism in our organization. It was totally non-intentional, but there were three to four years of terrible tension."

The membership of the Collective had remained virtually the same since its founding in the early 1970s but with increasing tensions, it became clear that the board had to diversify. "We had to work with the founders to do some letting go and that took three years—one founder was totally opposed to bringing in new people to our board and other founders hated to let go of the control."

One woman of colour, Cassandra Clay, who was invited to join the Collective's board at this time notes that the board struggled immensely with issues of diversity. "The issues of social class, privilege, and power were as dominant as the issues of race... we had to learn to trust each other and we had to learn to do things in different ways. Board role clarification would have helped."

The board now includes women of different races, sexual orientations, and abilities, though there are still challenges in reaching women of differing socio-economic backgrounds and younger women. And this organization may never feel that it is necessary to diversify the gender on its board!

Because each board is unique diversity can be dealt with in different ways. The Southern Alberta Land Trust Society in considering issues of diversity has decided that it must maintain a majority of ranchers on its board.

Experiences with Diversity
Southern Alberta Land Trust Society

Francis Gardner, the chair of the Southern Alberta Land Trust Society (SALTS) is convinced that the organization must be rancher-driven in order to be successful in its mission which states:

We work directly with landowners and agricultural interests to provide long-term protection to private lands which have traditionally safeguarded ... the ecological, cultural, productive and scenic values of southern Alberta's foothill and prairie regions.

Francis wants this Society to create awareness and confidence for other ranchers to get involved at the board level. "Ranchers are practical, down to earth—and common sense—our organization has to be led by ranchers."

Executive Director Glenn Pauley has provided additional information: "Traditionally, the environmental movement has been urban-based. Many rural landowners have felt alienated and misunderstood by the urban majority when it comes to these issues. This has resulted in unwillingness on the part of ranchers to get involved in environmental programs. SALTS structure is designed to address this problem. SALTS believes that its board's first-hand understanding of issues is critical to accomplishing its mission."

SALTS welcomes general membership from other people interested in the mission but ranchers must maintain ownership of the board.

Some boards feel that they are more effective by limiting the selection of directors to reflect a particular sector of the community. As long as the board involves and informs this particular sector about its work, there are opportunities for the organization to develop and improve its relationship with this sector. Giving voice to all members of that sector and helping to serve all interested parties can be diversity goals of such boards.

The Yellowknife Association for Community Living is an example of an organization that includes people who receive services on its board.

Experiences with Diversity
Yellowknife Association for Community Living

The mission of the Yellowknife Association for Community Living is to help people with intellectual disabilities to live meaningful lives in supportive communities. Written into the bylaws is the requirement that two of its board members be self-advocates (people with intellectual disabilities). Fulfilling this bylaw has sometimes resulted in token self-advocate representation or participation; such board members may not understand the issues being discussed and may remain quiet for

the duration of most meetings. Alternatively such board members may say a great deal that is unrelated to the current topic under discussion or bring individual concerns to board meetings.

The Association has arranged for a volunteer to work with self-advocate board members prior to meetings to review the agenda and to encourage them to think and talk about the issues. Various techniques and strategies have been developed to support such board members through the chair. Some chairs set clear time limits on discussion; some summarize the discussion around the table in plain language for the self-advocates and then invite them to present their points of view.

Most board members with the Association feel that the challenges that arise are worth the effort of welcoming people with disabilities to the board. The self-advocates enjoy their board duties and the sense of involvement in the community that this volunteer work gives them.

Board participation by users of an organization's services can be challenging but may be a goal of your board. Within organizations offering social services in areas such as mental health, child welfare, and addictions, and users of services may have many difficult issues in their lives and may want to vent their frustrations around the board table. Other board members may have unhelpful value judgements that can be obstacles to full and fair communication. To diversify across well-established or deeply entrenched social or economic patterns is always a challenge. Overcoming these challenges can prove deeply satisfying. Nonprofit boardrooms can experiment in diversification of representation and participation. If diversity is to work, board members must commit themselves to the experience.

Bertha is a single Mom of aboriginal descent who has recently joined the fictitious Helping Families—Helping Children Association board. She is quite uncomfortable about the way that she and the board chair are communicating.

Bertha thinks that it was quite rude for the chair to tell her in the middle of a board meeting that she should spend more quality time with her kids. She wonders what Millicent means by quality time. Shopping, maybe? Well she can't take the kids shopping for clothes except to the Sally Ann, and Shenea always cries when they go there. She doesn't have a VCR, so her kids don't get to watch movies; they play in the playground when she visits her friend. She wonders if that counts as quality time?

> The chair looks like a really rich person; her diamond ring and the way she wears her hair, always perfect. Has she ever tried to do grocery shopping on a welfare cheque? Has she ever had a social worker nosing around every week asking questions? Frankie and Shenea are doing well; they get fed and there's no more fights in the house now that she has given Jonas the boot. Bertha wonders if she would have more quality time with her children if she didn't go to these boring board meetings.
>
> Maybe quality time is something you do when you have a paycheque. If I get into the upgrading class, then maybe I can get a job. Anyway, when I get a job, the first thing I'm doing is quitting this board. And I'll quit it sooner if Millicent ever says anything about my kids again.

Boards may understand that their boardroom culture is inaccessible to some prospective board members. Catherine Cushman-Biddell, a board member with the YWCA in Yellowknife, noted: "The culture in our boardroom would be alien to many users of the services. Perhaps there is a role for an advisory committee of the users." An advisory committee has the advantage of operating in a less formal manner and does not have a legal responsibility for the governance of the organization. Some boards have opted to have an advisory board with staff support to identify and explore issues of customers of the organization. Advisory board members may also choose one member to represent them on the organization's governance board.

Board Strength Through Diversity

Diversity of board membership through representation and participation will differ from board to board and organization to organization. Through building relationships with the community the board wishes to represent, the board becomes stronger and more successful in bringing about change.

Diverse constituency representation on the board leads to creativity. There can be a synthesis of many different perspectives for ways to achieve the organization's mission. Innovation can motivate the members of a board, enhance the organization's services, and attract support from the broader society excited by new approaches.

Board diversity can stimulate organizational learning as board members clarify their roles and the roles of staff so that everyone understands how to respond appropriately to diverse points of view around the board table. By staying focussed on the mission and the strategic plan the board can guide the organization when different interpretations, due to the more diverse knowledge of the board, are shared. In these and other ways, diversity can increase board responsiveness to constituency or customer needs. With suitable orientation and support, customers that serve as board members can prove invaluable in presenting perspectives to the rest of the board that they may not otherwise hear or understand.

When welcoming people of different ages, cultures, and backgrounds to your board, you may want to adjust some ways in which meetings are conducted. At meetings often 20 or more board members taking turns to speak can be intimidating, even for experienced members. Some boards are choosing to break into smaller discussion groups which report on certain topics to the entire board during the meeting. Within the small groups, new or less talkative board members are able to voice their views with more ease. As less confident members increasingly see their contributions becoming part of board business, they can gain assurance and experience.

Various kinds of support can be offered to new members beyond orientation. More experienced board members can befriend new members, perhaps offering to accompany them to meetings, reviewing materials sent out, being available to answer questions, undertaking fundraising and other projects with them, and keeping in touch between meetings. Sharing food during meetings can be a good way to help people feel welcome and become better acquainted. Other social activities not dealing with any board business may also be organized to enhance fellowship and trust among members. Some may need support with child care and transportation to get to meetings. Others may require translation services for written materials and during meetings. When a board commits to diversity, all members must truly, deeply, without reservation work to make it happen: “It means being willing to set aside your own way of doing things and being open to new, and perhaps foreign, ways of thinking.” *(Radosevich, 1999, page 42)*

Is your board considering adjustments to its traditional ways in the boardroom to build a board that is more responsive to the community your organization serves? Perhaps enhancing diversity of board membership or introducing strategies to increase participation are effective choices. Building a diverse board is a demanding process.

In the past, a typical boardroom might have been a place of privilege and formality where the financially and socially successful felt comfortable. Such a culture would be daunting to many of the gifted and committed individuals your board hopes to interest as prospective members. Opening the boardroom to social, cultural, and economic diversity can offer a nonprofit board many opportunities to be more responsive to its organization's constituency.

A board that is connecting to the community it wishes to serve and welcoming diverse membership can harness this knowledge and energy to bring about change. The next step is to share a vision.

Chapter 5
Second Vision and Inspired Action

Chapter 5

Shared Vision and Inspired Action

What is the dream of your nonprofit organization? What guides you as board members when you struggle with difficult decisions? Why do you exist? Your organization's vision holds the answers to these questions. The vision is the rudder of your organizational ship, steering through the high seas, keeping on course, bringing the ship into its port of destination. The vision reflects an achievement of your organization that, if realized, could end the need for the organization's services. The vision looks far into the future and declares what social changes the organization will work to bring about and delineates what value the organization can add to society. The vision is shared in the sense that all members of the board feel its importance deeply, in their hearts, and are truly committed to the vision becoming a reality.

This shared vision becomes translated into a mission. A mission statement focusses on the primary intent and thrust of the organization. It guides decision-making and in its brevity captures the vital purpose and direction of the organization. John Carver points out that a mission should answer two simple questions: "What is this organization for? How will the world be different as a result of our being in business?" *(Carver, 1997, page 58)*

Mission statements from three of the organizations that participated in the survey are:

- To bring people and resources together to build a strong, healthy, safe community for all. **United Way/Centraide Ottawa Carleton**
- We as Aunties, Mothers, Sisters, Brothers, and Relatives collectively recognize, respect, promote, defend, and enhance our Native ancestral laws, spiritual beliefs, language and traditions given to us by the Creator. **Native Women's Association of Canada**
- Increased well-being and independence of people, particularly women. **YWCA of Yellowknife**

Some of the most powerful words on the strengths of a shared vision come from writings directed towards the business sector. In *The Fifth Discipline*, Peter Senge writes:

> When people truly share a vision they are connected, bound together by a common aspiration. Personal visions derive their power from an individual's deep caring for the vision. Shared visions derive their power from a common caring. In fact, we have come to believe that one of the reasons people seek to build shared visions is their desire to be connected in an important undertaking. *(1990, page 206)*

Robert Greenleaf talks about the shared vision of an organization protecting against unbridled self-interest:

> How do we deal with self-interest and deceit that seem currently to be the keys to success? From my experience they cannot be dealt with directly. If an institution is governed by a shared vision—one that points the institution toward greatness—it seems to me these negative forces will gradually be submerged. But they will always be there to threaten if the leadership is not powerful enough in keeping the governing vision in clear focus. I believe we have an apt analogy in the human body. All the destructive organisms we know about are probably present in most of the people most of the time. They only take over when we get sick, when our immune defences are not sufficient. Vision—a widely shared vision—is the immune defense system of an institution. Trustees are needed to supply a complementary gift of vision that is absolutely essential to the long-run health of an institution. *(Greenleaf quoted in Broholm & Johnson, 1993, page 44)*

Shannon, the executive director of the fictitious Helping Families—Helping Children Association, is looking to the vision of her organization to help her through some difficulties she is having with one of her board members.

One of the new members, the retired bank manager on the board, Norman, is causing Shannon a good deal grief. It may be that he will never understand the intricacies of supporting families "at risk." Norman is far more concerned about dollars at risk, so it would seem.

He just doesn't get it. Our nonprofit organization is not run like a bank—our single moms need time and support to learn about ways to raise their children. It doesn't happen overnight and it can't be analysed through financial statements.

Shannon thought that the board had such difficulties covered when they added that new requirement that all board members have a commitment to the vision, "To support birth families to raise their children in a safe and nurturing home environment." Easy enough to say, you suppose, though clearly Norman has little understanding of it.

Perhaps the chair would like to conduct an awareness session about the vision. Shannon could give her lots of good material to use—Bertha could contribute some first-hand experience with the child welfare system—and that new astrologer board member. What's her name? She's always got something interesting to say. It might help Norman to see the bigger picture....

Though, all that shall have to wait because Norman has asked her to redesign the budget format, analyse the staff-client ratio, and forecast the support hours required for the next two years presuming a 10 per cent cutback in funding! Just what Shannon needs—a board member who increases the workload without any visible advantages!

Many nonprofit organizations begin as a dream. The dream of a parent who has a child with a disability who wishes for a community that welcomes and supports her child. The dream of the manager of a half-way house for men as a transition into the community from prison who imagines how well they might do with employment supports. The dream of a musician who envisions a county-wide music festival. From the dream, a vision forms. On incorporation, this vision becomes translated into a mission. A board for a nonprofit organization may form initially around the dream of a few founders but, as it matures and works to do its job better, the organization will want to understand what others in the community are dreaming.

Does everyone in the community want to welcome children with disabilities into the schools and workforce? How do people feel about supporting ex-cons to seek employment? Are music festivals enjoyed by many people throughout the county? Who ultimately decides if the vision is a good one? This question has been examined by Allison Van Rooy of the North-South Institute in an essay entitled "The Art of Making Change." She discusses the goals of nonprofit organizations which she refers to as civil society organizations (or CSOs):

> To be relevant, CSOs must strive to reach the right goal, for the right reason. How can Canadian CSOs know what that goal should be? Given the breadth of political, cultural, and social aspirations within Canada, let alone elsewhere, is it even possible to know what is right? *(Van Rooy, 1999, page 96)*

It is unlikely that everyone in the community will feel the same passion for the same vision. And it is not the task of the nonprofit organization to seek out or create broad community acceptance of its vision. The important thing is to communicate clearly about it to reach those people in the community who might support it.

Part of this communication could include a needs assessment, an environmental scan, or survey to better understand community attitudes about a vision. The survey could be conducted with those people in the community that the board wishes to serve or the broader community. It would gauge their attitudes about the vision, the work to be conducted, the areas in which the community requires more information, and the number of people requiring services. A full-day workshop including key community people, people who need services, members of the board, staff, prospective major donors (government and private), representatives from other organizations, and outside experts whose work intermeshes could be organized to bring the survey information together into a vision. Perhaps a person with facilitation skills will volunteer to support a board in its drive to share a vision. Not everyone involved will want it expressed in the same way. As the board listens, reviews, and searches for answers with others in the community, it will have to accept that there are many interpretations of the vision.

Through the exercise of sharing the vision with the community, a board may wonder how much of the heart, the original intent, of the vision can be changed by community input before it becomes diluted and ineffective. Or, in contrast, a vision may become more magnetic and applicable as it is molded by interested members of the community. Through sharing its vision and engaging the community, the board learns, collective interests are discovered, and new ways of working together for change can be revealed. The board leads its organization to becoming a more dynamic community force.

From Vision to Strategic Plan

The creation of the mission statement from the vision is a critically important part of the work of the board. The mission becomes the touchstone by which the board can assess its actions, the actions of the executive director, and the success of the organization.

Carver emphasizes its importance:

> A mission statement that is complete in itself can be used as a constant reminder, one that keeps the basic organizational purpose up front at all times. However, because the statement has an effect on further decisions, policies, program design, skills of staff, and so forth, it must be conceived as part of an integrated whole. *(Carver, 1997, page 2)*

Carver recommends that the board proceed from its mission to the development of outcomes, results, or ends that the board wants to achieve, and monitor how well the organization is doing in achieving these ends. These steps form the core of strategic planning.

The Stanton Regional Health Board, which provides health and hospital services to a very diverse population living across a large area of northern Canada, uses the Carver approach to board governance. From their mission of "Restoring health with dignity," the board has developed seven results policies, one of which is quoted below:

Stanton Regional Health Board
Policy 5.2
Extended Care

Result: People requiring long-term care be supported to achieve their highest level of independence and best life style.

Target groups: 1. Disabled/Trauma Victims

- Relief from, or management/treatment of pain and discomfort
- Reduction of the disabling effect
- Amelioration of disability
- Interact socially in a home-like environment

- Physical and emotional comfort in an environment that is sensitive to their needs (land, food, customs).

2. **Family and Friends**

- Have input to, support and understand treatment plans
- Get relief from care-giving when required
- Support patients receiving Extended Care.

Community Representatives to be consulted with: seniors groups, Med Flight, Edmonton Capital Health Authority, Regional Health and Social Services boards, Aboriginal groups, professional associations, Governments, other interest groups

Carver boards use the term "results policy"; other boards describe the concept as a "goal." Once goals are decided, the board moves into action by developing a strategic plan. Sometimes undertaken by a committee of the board, the board as a whole, or the executive director with staff, the planning process may include a fairly rigorous and critical assessment of the organization's strengths, weaknesses, opportunities, and constraints before tangible goals and evaluation methods are identified.

Stanton Regional Health Board moves along with its planning cycle from the results policy to the strategic plan outlined below:

Stanton Regional Health Board
End Policy:

"People requiring long term care be supported to achieve their highest level of independence and best lifestyle"

Goal	Enhance the extended Care Unit services with other appropriate services
Strategy	Determine and review impacts associated with redistribution of services
	Work with other boards/agencies to determine impacts/require-ments of redistribution of services

	Solicit input from staff, patients, families, public
	Determine feasibility from patient focus/ cost analysis
Measure	Patients will be cared for in facilities which best meets their needs
Target Date	1998-99
Responsibility	Senior management
	Patient care managers
	Specialist physicians
	Family practice physicians

The vision, mission, and strategic plan are of immense benefit to an organization as they chart their future direction and action. These planning tools are not cast in stone, and every three to five years a board will want to revisit its vision and how it translates into action encompassing the needs and dreams of the community it serves.

Plan With Flexibility

The vision, the results that the organization hopes to achieve, and the strategic plan are important components of a board's governance responsibilities. Though, as Glenn Pauley, executive director of the Southern Alberta Land Trust Society, points out: "You need to have direction, but you need to be flexible enough to take advantage of opportunities that come your way as well."

It often happens that nonprofit organizations become aware of large funding sources for programs that could possibly be within the realm of the guiding vision. In the course of applying for this funding, it may become necessary to augment or adjust some of the organization's goals to better fit the funding criteria. Careful board consideration of such a move is important. Sometimes it may be appropriate for the organization to branch out into new program areas that have accessible funding; other times it may take the organization off its course, dilute the vision, and confuse staff and the community.

Sherri Torjman of the Caledon Institute of Social Policy in Ottawa has noted the difficulties of this issue that has been termed "mission creep." In her paper *Are Outcomes the Best Outcome?*, she states:

> Research may help resolve another problem—assisting community organizations deal with the problem of "mission creep" *(Shore 1999:220)*. On the one hand, complex problems require a range of interventions that involve multiple sectors. At the same time, community groups easily can find themselves caught up in any number of related efforts because of problems that they discover along the way. They gradually expand their activities, only to find that this expansion or "mission creep" dilutes their clarity of purpose or distracts them from the goals they originally had set out to achieve." *(Torjman, 1999, pages 17-18)*

Shared vision is a powerful motivation for board, staff, and community to work together towards goals and action with respect and honesty. In a complicated world, nonprofit organizations must be constantly inspired by their motivating vision, responsive to their community's changing needs, and aware and able to act on opportunities that present themselves. A board of a nonprofit organization must keep its ear to the ground, its eyes on the horizon, its feet in motion, and its heart in the right place.

To add another layer of complication—a nonprofit board must enter a place of creative tension—the delicate relationship between its own governance function and the administration and implementation tasks of the staff.

Chapter 6
The Creative Tension

Chapter 6

The Creative Tension

The strategic plan is in place, the organization is ready to roll up its sleeves and get some goals accomplished, and, in many other challenges of the nonprofit sector, a new tension arises. What is the realm of the board and where do the staff reign?

If a board is operating with an executive director and paid staff, it must consider carefully in what areas it will work and in what areas the staff shall apply their skills. Through a review of these boundaries, a board will fulfill one of its important governance responsibilities.

In the John Carver approach to board governance, the areas of board responsibility are clearly spelled out. The Carver board develops policies in four areas:

- ends to be achieved
- governance approach
- constraints placed on the chief executive officer (CEO, also called executive director in many organizations)
- the board and CEO relationship.

The YWCA in Yellowknife, which works with the Carver approach, has 11 policies to address the responsibilities of its board, including the governance approach, board job description, nominations, the board committee principles, board meetings, board member's code of conduct, and board self-evaluation. One of these policies is presented as an example:

Yellowknife YWCA Board Policy on Governing Approach

The board will undertake its job with an approach that focuses on organizational outcomes and on the future rather than on annual operational issues. The board's governing approach will emphasize strategic leadership, diversity of viewpoints, a clear distinction of board and staff roles, collective rather than individual decisions, and proactivity rather than reactivity.

This will be accomplished by:

- Directing its energies to organization outcomes not on the administrative or programmatic means of achieving the outcomes.
- Directing, controlling, and guiding organization thinking and behaviour through the establishment of clearly stated values, principles, and policies.
- Imposing upon itself and its members whatever discipline is needed to govern with excellence. This could mean the application of discipline to matters such as attendance, policy-making principles, respect of roles, speaking with one voice, and self-monitoring of any tendency to stray from governance adopted in board policies.
- Being accountable to the membership, stakeholders, and appropriate legal bodies. It will ensure that this obligation is neither usurped nor hindered by the board as a whole, by a committee of the board, or by any individual board member.

- Regularly monitoring and evaluating its own process and performance.
- Ensuring the continuity of its governance capability by training and redevelopment.
- Initiating policy development, not merely responding to staff proposals. The board, not the staff, is responsible for board performance.

Sitting on the board of the Yellowknife Association for Community Living are parents of children with disabilities, professionals in the field of special education, strong advocates for the inclusion of people with intellectual disabilities in the life of the community, and

self-advocates. This board does not feel comfortable working solely on the achievement of organizational outcomes—board members have first-hand knowledge of how to make inclusion work, and they want to ensure that their skills are put to good use in many areas of the organization, not solely on the development and monitoring of results.

The Yellowknife Association for Community Living established a board document outlining 13 areas of their work and identifying which ones are board responsibility, which ones are that of the paid management and/or staff, and which ones are joint board-staff responsibilities. For example, under the Association activity "program evaluation," the board indicated that it is responsible for ensuring that programs are evaluated in what order and for reviewing program evaluations. The executive director is responsible for ensuring that the program evaluations are conducted. In the area of coalition and partnership building, the Association board has indicated that the executive director and staff will take the lead and keep the board informed.

Fred, a retired school principal and board member with the fictitious Helping Families—Helping Children Association, has been extremely successful in heading up the fundraising campaign for a Family Resource Centre. Now he'd like to start planning some of the programming.

The ground has been broken and construction has begun on the Family Resource Centre. Very soon Fred's dream will become a reality. He's proud of his fundraising accomplishments—making speeches at the various service clubs, doing presentations to the business community, and briefing the Deputy Minister of Education and local MLAs. Fred knows how important it is for young children to get supports and services before entering the school system; it helps them a great deal to be successful in their later lives. They call it "early intervention" these days.

If only there had been a Family Resource Centre for many of the kids and their families that went through his school. He's visited Vancouver and seen how well it's working: there, kids at risk and their families have been able to get many of the supports they need such as speech therapy, learning positive approaches to difficult behaviour, parenting classes, and addiction counselling. There is a real positive environment in that centre, and it can work miracles in this town, too.

He reminds himself to tell Shannon about the importance of a toy lending library and how the hot lunches made a big difference. And the peer parenting program, that seemed to be a real good idea. He'll have to write away for more details on that one; he can see how it would be most effective here.

At the next board meeting, he plans to do a presentation on the peer parenting program. He'll see Chair Millicent at bridge tomorrow and suggest that she put it on the agenda.

A New Way of Working

Within some boards, with clearly defined roles and constraints, the interest of the retired principal, Frank, in programming areas would not be welcome. In a new approach, Barbara Taylor, Richard Chait, and Thomas Holland make a case for blurred lines and open borders which would allow for more flexibility in the role of a board member. Under the title, *"The New Work of the Nonprofit Board,"* they outline their ideas in this way:

Old Work	**New Work**
1. Management defines problems, assesses options, and proposes solutions. Board listens, learns, approves, and monitors.	1. Board and management discover issues that matter, mutually determine the agenda, and solve problems together.
2. Board sets policy, which management implements. Respective territories are sharply defined; there is little or no border traffic. Domains are decided by organization chart.	2. Board and management both set policy and implement it. Lines are blurred, borders open. Domains are decided by nature of issue at hand.
3. Structure of standing committees parallels administrative functions. Premium is on permanent structure, established routines. Members occupy functional niches. Board maintains busywork.	3. Structure of board mirrors institution's strategic priorities. Premium is on flexibility, ad hoc arrangements. Members occupy functional intersections. Board creates centers of action.

4. Board meetings are process driven. Protocol doesn't vary. Function follows form. Emphasis is on transmission of information and reports.

5. Board is a collection of stars. It recruits people with an eye to expertise and status. The CEO cultivates individual relationships and exploits each trustee's talents.

4. Board meetings are goal-driven. Protocol varies with circumstances. Form follows function. Emphasis is on participation and action.

5. Board is a constellation. It recruits team members with an eye to personality and overall chemistry. Board cultivates group norms and collective capabilities of trustees.

(Taylor, Chait, and Holland, 1996, page 42)

Sphere and Pyramid

The staff structure of a nonprofit organization is usually designed as a pyramid, a hierarchical structure with the executive director or CEO at the top delegating authority to subordinate staff. By contrast the nonprofit board structure is a flattened sphere encompassing all points of view equally. In a book entitled *A Balcony Perspective—Clarifying the Trustee Role*, Richard Broholm and Douglas Johnson describe this contrast.

> "... each trustee theoretically holds power equal to all others, and that power can usually be exercised only when the total board gathers in a duly constituted meeting. The image reveals two very different structures, with the implication that each may exercise its power quite differently. The flat, non-hierarchical structure of the trustee board balances somewhat precariously on the tip of the staff hierarchy. This suggests a delicate balance between two different ways of thinking and acting.... The pyramidal nature of the traditional staff organization is structured primarily for implementing actions and ensuring accountability for initiatives. The flat board structure is designed for reflection; it encourages the voicing of diverse viewpoints in an effort to see the whole picture. The gift of this type of structure is that it provides space for reflection as a critical resource to strategic planning and action." *(Broholm and Johnson, pages 4-5)*

These two types of structures contain a critical tension that can fuel productivity or induce negativity. How many written policies or guidelines are necessary to keep the collaboration healthy depends on the individuality of each board and staff. The tension may be productive for a time with minimal policy, then degenerate into conflict when more guidelines or policies may be required.

Boards often go through cycles. At times they choose to become more closely involved with program delivery, after a time they may delegate the authority to the executive director, after which they may cycle back to a more hands on approach. This constantly evolving relationship is one of the dynamics that leads to innovation within the nonprofit sector.

The clear relationship between the board and the executive director in the Carver approach can work very well. For some executive directors who work with a Carver board, there is a great relief that they are not constantly faced with uncertainty over their authority and that of the board. Other executive directors prefer a more flexible approach whereby they can call on their board for insight and wisdom on any variety of issues, often operational, that unforeseeably arise.

Some executive directors intuitively sense what their boards need to know and in what areas the board wants to work. This could be the intuition of the servant leader, for executive directors as well as board members may choose to serve, be acutely aware, and tap into the intuition of the servant leader of which Robert Greenleaf writes.

Greenleaf also envisions a future nonprofit board where the chair becomes a paid position, although the work of the chair must be well-defined and completely separate from that of the executive director:

> the trustee chairman will *not* be an officer of administration. In large institutions, the chairman will probably be a full-time salaried person...The chairman, as leader of the trustees, should be selected by his colleagues for his dedication to optimal performance of the institution and for his ability to make the trustee role an exciting, creative, and very responsible endeavour...The first step for any trustee of a major institution who feels the obligation to move the institution much closer to its potential for service to society is to get a chairman who has the ability and the determination to lead it there, and who will devote a major portion of his time, if not full time, to that mission. *(Greenleaf, 1974, pages 23-24)*

In order to make knowledgeable decisions, the board needs to have both internal and external information sources. A paid chair could undertake to gather this information in a variety of innovative ways from the constituency, staff, and external organizations and experts. As most executive directors will attest, their work is complex and intensive enough without having to increase their commitments to interrelate with the community and search out independent information sources. Although some executive directors may be handling these jobs already and others would possibly feel constrained by the continual presence of a board member in an office nearby, a paid chair with the goals of service to society and motivating and inspiring board members may be a new approach that brings significant change into the sector.

Researchers and specialists suggest that it is useful for a board to review the board's relationship with its executive director and staff at least every two years. Such regular discussions will help to create an awareness of the interesting structures and relationships that are at work so that their complex interplay can be more fully understood and directed to create change within the community. When the action oriented and delegation role of the executive director intermeshes with the reflective, consensus-seeking approach of the board, a powerful collaboration results in which great things can be achieved.

Hidden Cultures

Each organization—be it a business, an institution, a government department, or a nonprofit association—has its own culture, which impacts greatly on the way the organization works. The culture of a nonprofit organization will not be found in its policies nor is it often addressed during orientation of new board members. New board members may feel, however, that they are somewhat lost until they become familiar with the underlying culture in operation around the board table and throughout the organization.

Edward Schein has defined organizational culture as:

> basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously, and that define in a basic taken-for-granted fashion an organization's view of itself and its environment. *(Schein, 1985, page 15)*

To connect successfully with its constituency and the community, a board may want to work at understanding the cultural dynamics at play in their organization and among board members.

Some of the underlying assumptions that form the board culture may actually be barriers to a meaningful connection to a constituency. A board that seeks to understand its own culture will be more prepared to understand and develop a relationship with others in the community.

Some areas of shared assumptions identified by Schein include:

- creating a common language
- distributing power and status
- defining group boundaries and criteria for inclusion and exclusion.

The Boston Women's Health Book Collective has looked deeply into it own power and status culture to bring about changes that have made it more responsive to the community it wishes to serve.

Organizational Culture
Boston Women's Health Book Collective

The Boston Women's Health Book Collective started out as a small discussion group at one of the first women's liberation conferences in Boston in 1969. Individuals within the group decided to research and write about a topic especially important to their personal experience, and, by 1973, the papers were published into *Our Bodies, Ourselves*, a hugely successful book on women's health.

In 1971, the core group of 12 women who had been meeting together became a legal corporation with themselves as the board and did not take any new members until the mid-1990s. The board was non-hierarchial with no formal structure or assigned roles: all women worked on a volunteer basis and continued to meet weekly around members' kitchen tables sharing their personal life experiences with the work of writing the book. One of the founders, Wendy Sanford, points out that the members discovered important dynamics about the culture of leadership:

> Learning to function as a non-hierarchical group has presented us with some painful issues involving power. In the political groups (usually run by men) where many of us had been active, we had seen

> how all women and the less powerful men had very little say in what went on. In not wanting to repeat that misuse of power, we took on an unspoken ideal of leaderlessness. Yet we have learned that every group has a leader: the important thing is how they lead. In retrospect, we can see that our early idea of leaderlessness just pushed power conflicts underground. Tensions arose but it was a long time before they were expressed. *(Sanford, 1979, pages 86-87)*

By the 1990s, due to extreme tensions with the staff, the collective was forced to open its membership and diversity. The collective began to behave as a more traditional board without the close family-like relationships. Wendy Sanford became the first chair and notes, "We haven't been a collective for many years but we are still called a collective."

Cassandra Clay who jointed the board in the 1990s during its time of upheaval and change says: "It is important that feminist ways of working be acknowledged. Women's ways of relating are inherently more informal, more relational, non-hierarchical. There is good stuff that can come out of feminism. But it is more important that everyone be clear on the issues of power and privilege."

When Clay joined the board she became aware of one aspect of the culture of the collective, that the founding members were very tight in one group and the new members were never really welcomed into that group. "I did not want to become a member," Clay remembers. "I emphasized the need for boundaries between the work of the board and the personal lives of the members."

Wendy Sanford reflects about the culture of power that evolved within the collective: "Because the board operated as a collective, assuming that the power was shared equally amongst its members, there were no written rules. Hidden rules developed and who knew those rules? The white middle-class women who dominated the organization."

The issue of who has the power and status on a board is rarely discussed, although it may be one of the prime factors of decision-making. To be truly responsive, a board may want to look at its own culture to identify whether it is serving its constituency or its dominant members.

Asta is a new member of the fictitious Helping Families—Helping Children board. She has keenly observed the board members during three meetings and has a bit of a sense of the culture around the table:

> So far it's been all right, this volunteer board scene, Asta reflects. The most intriguing part is the variety of personalities and the way that they interrelate. Chair Millicent somehow seems to feel that she has earned her place of societal privilege and that the poor families deserve their lot in life. Asta senses that there's some influence of Saturn in Millicent's 12th house and, as an astrologer, she never underestimates the power of subconscious guilt. There is hope, even for Millicent.
>
> Tonight she has decided to try an experiment to uncover some of the hidden values that these people are bringing to the table. She'll question Millicent: "Why, Madam Chair, are you discussing the parenting style of Bertha? Do you feel that you know more than her about the best way to be a parent?" And maybe the values of the retired banker need to be addressed: "Norman, what do you think about government support for these single moms? Do you feel that these moms may be a bit lazy? Do you think that they should be put on a workfare program where they must participate in volunteer activities before they receive their social assistance?"
>
> As she plots her boardroom actions, she becomes inspired with a vision of what it could be like. The boardroom becomes a place where people look inward to discover the underlying values that are the basis of their decisions and through the group grow emotionally and spiritually to make better decisions. There could be some real potential for transformation in this board scene! With the moon in Aquarius, this could be a real happening board meeting tonight!

The culture around the board table permeates an organization and affects the way in which the staff carry out their tasks. Deloitte & Touche, a private consulting firm that has developed governance information for the nonprofit sector in Canada, emphasizes the importance of recognizing organization culture:

> Boards and senior management set the "tone at the top." Their behaviour has a pervasive effect on the nonprofit organization as a whole, and upon its stakeholders' perceptions of it. For example, is the board seen to be open, upfront, and honest in its dealings with its own members and with others in the organization? Do individual board members share a sense of accountability to other members of the board and to the organization's stakeholders? Do the board and management stress the importance of the organization's values and live up to the organization's codes of conduct in their behaviour and actions? *(Deloitte & Touche, 1995, page 18)*

If your board discovers that it needs to change some of its underlying assumptions and culture in order to do its work more effectively, you have reached a most important point. Your work as board members may now evolve into an exciting journey of group discovery. As you work to serve others, you expand your own horizons; learn more about yourself and the culture of your board; the group dynamics; and create a new approach to board governance that has value and meaning in your community.

Chapter 7
Responsibilities of Governance

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Your boardroom can become an exciting place where people strive to understand and address the needs of the community, where assumptions are challenged, and new ideas are explored, and you, as board members, become the catalysts of change. You may be a board member with no paid staff who is intricately involved in the details of administering your organization, a board member who meets with politicians to discuss policy, or a board member who organizes the annual charity ball, but you have one thing in common. In your role as a board member, you are responsible for the governance of your nonprofit organization.

In the 1990s, there has been much discussion about governance of the nonprofit sector. Current conversations are occurring within the Prime Minister's Privy Council in Ottawa, among academics in Canadian and American universities, and in conferences across the country.

Governance has been defined as the relationship between those governing and those for whom they govern. In 1996 the Governance Working Group of the International Institute of Administrative Sciences defined it this way:

> Governance refers to the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, and economic and social development. Governance is a broader notion than government. Governance involves interaction between these formal institutions and those of civil society. *(International Institute of Administrative Sciences, 1996)*

Central themes of *Weaving Through The Community* have addressed three important areas of governance responsibility:

- the nonprofit board's developing and evolving relationship with the community it wishes to serve
- development of a shared vision, a mission, and strategic plan and working towards their achievement
- the approach to governance that the board shall take: Will it set policies and constraints on the executive director? Is it a collective with no hierarchy? Is it an administrative board that performs the hand-on work of the organization?

Additional requirements of governance which a board must address are:

Financial Accountability

The board:

- ensures the financial well-being of the organization
- ensures that the organization acts in a fiscally responsible way
- provides information to the public about the organization's finances
- ensures that the assets are protected and cared for
- ensures that fundraising is carried out in an ethical way.

Legal Oversight and Risk Management

The board:

- ensures that the organization is acting legally and fulfilling its legal requirements of incorporation
- ensures that there is a risk management plan in place.

Oversight of Human Resources

The board:

- ensures that the organization complies with employment legislation and workplace safety regulations

- is responsible for the hiring, supervising, release when necessary, and annual performance evaluation of the executive director.

For organizations that work with volunteers

The board:

- has a clear set of guidelines or policies addressing the screening, recruitment, orientation, oversight, and recognition of volunteers.

Board Self-Management

The board:

- ensures that there is a nominating committee independent of paid management which develops selection criteria and proposes suitable candidates to serve on the board
- ensures that new board members receive an appropriate orientation
- ensures that it conducts an annual board self-evaluation.

The nonprofit sector is not alone in its efforts to improve governance and accountability. In 1995 the Toronto Stock Exchange (TSE) approved 14 guidelines for improved corporate governance which are applicable to all Canadian companies listed on the TSE. Although consistent guidelines for the entire private sector were resisted at first, the TSE guidelines have become a benchmark for corporations in Canada. As well, there is increasing evidence that effective organizational governance leads to better performance. A study conducted by the Conference Board of Canada in 1998 found that those corporations which had implemented the TSE governance practices had attained the best results in key performance areas.

A Learning Board

Some boards may become inspired by the search for knowledge and the exploration of new ways of thinking. They may be brave and bold enough to include constant learning as one of their governance responsibilities. Peter Senge encourages organizations to commit to learning:

> That means building an organization where it is safe for people to create visions, where inquiry and commitment to the truth are the norm, and where challenging the status quo is expected—especially when the status quo includes obscuring aspects of current reality that people seek to avoid. *(Senge, 1990, page 172)*

Continually searching out knowledge, exploring new ways of thinking, and digging deep to see what many would prefer to leave unexpressed: these are approaches that would guide a "learning" board. Senge further describes the concept:

> Organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together. *(Senge, 1990, page 3)*

Thomas Holland has summarized the educational characteristics of effective boards:

> They consciously create opportunities for board education and development and regularly seek information and feedback on the board's own performance. They pause periodically for self-reflection, to assess strengths and limitations, and to examine and learn from the board's mistakes.
>
> Boards learn how to improve their performance through educational programs and retreats, where matters of substance and process are examined. They make use of introspection on the board's internal operations and the ways it carries out in business. They reflect on the lessons that can be learned from its own experiences and mistakes. *(Holland, 1998, page 6)*

Holland outlines some specific ways that boards can strengthen their learning:

- setting aside some time at each meeting for a seminar or workshop to learn about an important matter of substance or process or to discuss a common reading
- conducting extended retreats every year or two for similar purposes and for analysing the board's operations and its mistakes
- meeting periodically with "role counterparts" from comparable organizations

- establishing internal feedback mechanisms such as evaluative comments from members at the end of each meeting and conducting surveys of members on individual and collective performance. *(Holland, 1998, page 6)*

A board that commits to learning will explore new ways of working together in the boardroom and in the community. Research conducted by Richard Chait, Barbara Taylor, and Thomas Holland has shown that a board that sets out to educate itself is a more effective board. (See *The Effective Board of Trustees*, 1993.) As the board makes inquiries, searches for the truth, and challenges the status quo, its value in the community grows. The nonprofit board becomes an esteemed resource of citizen participation and change.

Taking Up The Challenge

Nonprofit boards are in a unique position to make a difference. Diversity amongst board members and a focus on communicating and connecting with a constituency creates an organization that is responsive to community needs. By sharing its vision it binds together the aspirations of citizens. And a commitment to learning ensures that new approaches are explored. Nonprofit board members become servant leaders who work to ensure that those who are the least privileged in the community are served.

It is the dawn of the nonprofit sector. Through the thoughtful and responsive leadership of board members, this sector can contribute to a revitalized democracy of the 21st century.

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