



HIGH IMPACT BOARDS

Robbe A. Healey, MBA, NHA, ACFRE, FAFP

Aurora Philanthropic Consulting

<https://www.auroraphilanthropic.com/>

610.996.4650



CHESTER COUNTY
community
FOUNDATION



THE BASELINE: RESPONSIBILITIES OF NONPROFIT BOARDS



Duty of Care

Board members should make informed judgments: secure facts, get clarity on issues, seek advice when decisions are complex or in new territory. Proactively participate and communicate.



Duty of Loyalty

All activities should be done in the best interest of the nonprofit, not in the best interest of individual board members. Cast aside personal interests. Respect confidentiality.



Duty of Obedience

The board should follow organizational rules as defined in the nonprofit's governance documents; be faithful to the vision and mission; comply with all laws & regulations.

TEN BASIC RESPONSIBILITIES

of Nonprofit Boards

Second Edition

4.

5.

6.

7.

8.

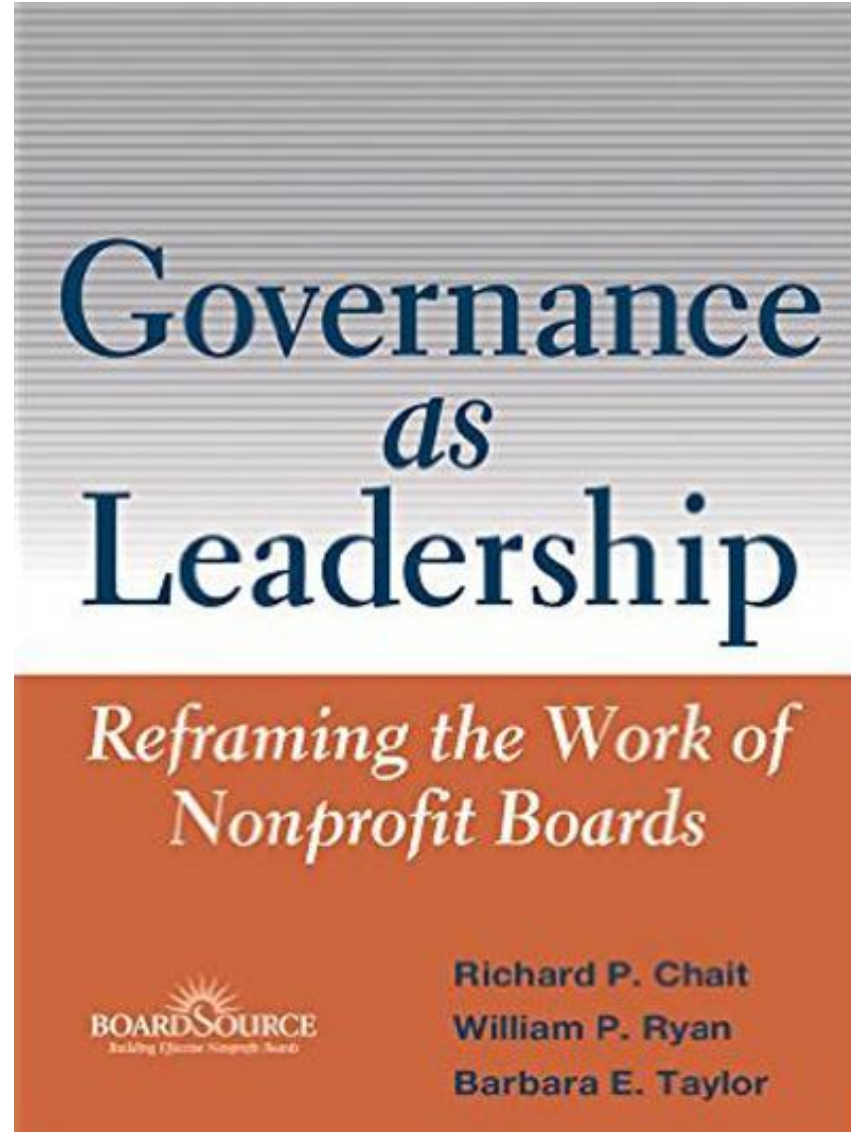


TEN BASIC RESPONSIBILITIES OF NONPROFIT BOARDS

1. Determine mission and purpose.
2. Select the chief executive.
3. Support and evaluate the chief executive.
4. Ensure effective planning.
5. Monitor and strengthen programs and services.
6. Ensure adequate financial resources.
7. Protect assets and provide proper financial oversight.
8. Build a competent board.
9. Ensure legal and ethical integrity.
10. Enhance the organization's public standing.



THERE ARE THREE GOVERNANCE MODES



“The work is not a new model, but rather a framework to make better use of the tools and techniques already available.”

Richard P. Chait, Ph.D.
Professor
Harvard University
Graduate School of Education

THE GOVERNANCE MODES

FIDUCIARY

- Board as Control Mechanism

STRATEGIC

- Board as Direction-Seeker

GENERATIVE

- Board as Meaning-Maker



THE GOVERNANCE MODES: A CLOSER LOOK

TYPE 1: FIDUCIARY

- Fiduciary does NOT equal financial
- **Duty of care;**
Duty of loyalty;
Duty of obedience to charitable purpose.
- Fiduciary Boards fulfill the traditional responsibility of the **stewardship** of **tangible assets, oversight, monitoring and compliance.**

TYPE 2: STRATEGIC

- This is where many boards today think they are headed
- A partnership between board and staff that embraces **internal and external environmental scanning in the fulfillment of mission.**
- They still tend to rely on information and analysis and their behavior tends to be **rational interpretations of data** – simply a different set of data.

• TYPE 3: GENERATIVE

- The style of leadership that
 - **Discerns.**
 - **Frames.**
 - **Confronts challenges.**
- Rooted in **values, traditions & beliefs.**
- Engaged in
 - **Sense making.**
 - **Meaning making.**
 - **Problem solving.**

HIGH IMPACT COLLABORATION

- The collective work of the board requires **moving between modes** and a **different way of thinking**
 - Generative leadership implemented successfully means that **problems are accurately framed before solutions are considered**
- *Opportunity peaks when an organization faces a problematic or ambiguous situation.*
 - Because nothing has been ruled out (or in), the opportunity to make generative sense of the situation will never be greater.



WHY ADAPT?

Empowers the board



Engages the collective minds



Exploits board talent



Enriches board work



**Enhances board and organizational
performance**

COLLABORATION: GENERATIVE WORK DEMANDS A FUSION OF THINKING, NOT A DIVISION OF LABOR

- **Overseeing generative work**

- Review and critique the generative thinking of executives:

How did they arrive at their assumptions?

Are there alternative methods for framing the problem?

How did they frame the issue?

What does the future hold?

In Type III Oversight, trustees gauge the generative thinking of executives



- **Initiating generative work**

- CEOs work jointly with the board. This can be the most powerful governing work because of the partnership. Neither the board nor the staff prematurely determines the assumptions. Neither usurps the role of the other and they candidly share affirmations as well as ambiguities – without fear of reprisal

MAXIMIZE DIFFERENT WAYS OF THINKING

- Board must **assess whether issues**, which appear to be fiduciary or strategic, require **generative thinking** and/or **generative governance**
- **Accurately frame the challenges and problems before identifying and considering solutions**
- Generative leadership implemented successfully means that **problems are accurately framed before solutions are considered**
- Too often the **problem may be defined in the context of the perceived ideal solution**
... therefore the problem is unlikely to be correctly addressed



GOVERNANCE COMMITTEE: WHERE BOARD STRENGTH BEGINS!

Maintain and monitor board-wide adherence to governance best practices:

- Support the board chair in designing and executing **annual board goals**.
- Monitor **individual board member** performance.
- **Assess and evaluate** the Board as a whole.
- Review and recommend changes to bylaws and **board policies**, including **board member agreement**, signed annually by each board member.
- **Onboard and train new and existing** board members.



NOMINATING: A GOVERNANCE COMMITTEE ROLE

... NOT A SEPARATE FUNCTION!

- **Track terms** and maintain a **succession plan** for board vacancies.
- Recruit non-board members to **committees** to add value.
- **Identify, qualify, cultivate, and nominate** candidates for the board and committees.
- Maintain an **officer succession plan**.
- Create opportunities for board members to **build relationships** and interact socially.
- **Retire** board members, if needed.



Essential items to include in a nonprofit board position description:

1. Brief Organizational Overview

2. Overview of the **Role of the Board** and controlling documents

3. Board Member **Duties and Responsibilities** (*annotated list*)

- Strategy and Mission
- Board Structure and Development
 - Committee responsibilities
 - Attendance expectations
- CEO Oversight
- Finance and Risk Management
- Philanthropy
 - Include annual giving expectations

4. **Signature and Date** (*sign annually!*)



HOW DOES IT ALL FIT TOGETHER?

Board Responsibility	GAL Mode	Duty
1. Determine mission and purpose	Strategic / Generative	Obedience / Loyalty
2. Select the chief executive	Strategic / Generative	Care / Loyalty
3. Support and evaluate the chief executive	Strategic / Generative	Care / Loyalty
4. Ensure effective planning	Strategic /Generative	Care
5. Monitor and strengthen programs and services	Fiduciary / Strategic	Care / Obedience
6. Ensure adequate financial resources	Fiduciary / Strategic	Care / Loyalty
7. Protect assets and provide financial oversight	Fiduciary	Care / Obedience
8. Build a competent board	Strategic/Generative	Care
9. Ensure legal and ethical integrity	Fiduciary	Obedience / Loyalty
10. Enhance the organization's public standing	Strategic	Loyalty

Know Your Lanes

Interprets Vision and
leads execution
(Management)

Exercises authority
within parameters
(Operations)

**Chief
Executive**

Staff

VISION STEWARDS

Board

Board Chair

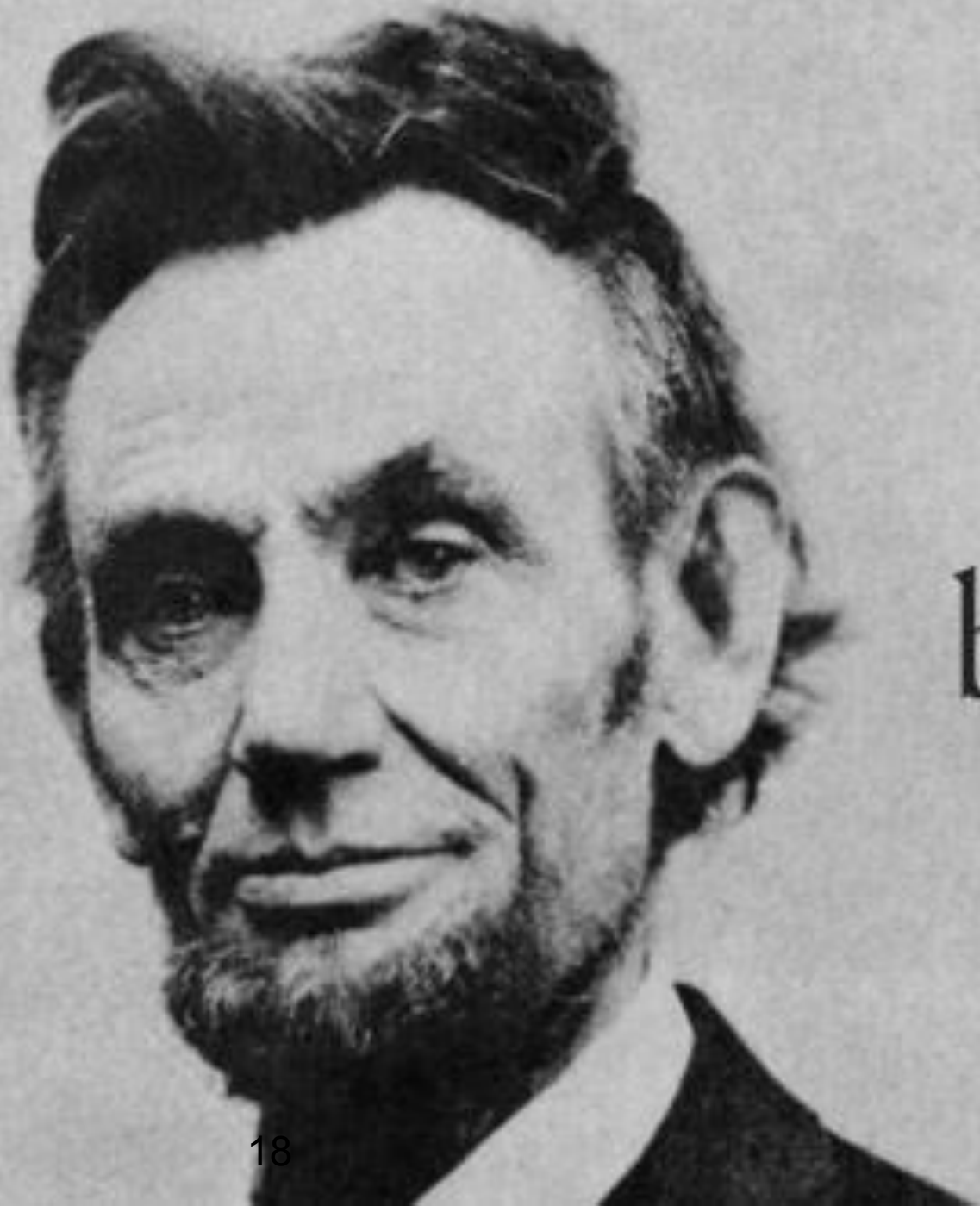
Committee Chairs

Establishes Vision
(Strategy)

Sets parameters
for action
(Governance)

OPERATIONALIZERS

Committees



“I walk slowly,
but I never walk
backward.”

Thank You

Robbe Healey, MBA, NHA, ACFRE, FAFP
Robbe.Healey@auroraphilanthropic.com
610.996.4650