

Engaging your Board effectively – what it takes



Governance Counts

Why do you have a Board in the first place?

- The law requires it
- You need an entity to guide and steer the organisation as the organisation evolves
- You need support from a group that believes in the organisation's mission and its founder
- Decisions made by an informed group of people are often more effective, valuable and meaningful than decisions made by one individual
- Access to a larger pool of expertise helpful for the organisation's success than just that of the CEO/founder
- To provide oversight
- ... and many other such reasons



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What are the usual 'whines' about Boards

- Our Board does nothing – they merely sign where they have to.
- Board members don't have the time- its very difficult to get them all together for a meeting
- This Board member is very 'interfering' and wants to know too many details – he does not understand how difficult it is for us to gather that information
- The Board does not have a clue about the organisation
- The Board is not interested really- they are happy as long as we don't ask them to *do* anything
- Ms X is the mother in law of the founder – we cant really say anything to her or contradict her !!



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What are the usual 'whines' about the management

- The CEO does not want us to get involved - but he is a 'good man' and we trust him
- They only come to us when there is a problem
- They have not told us clearly what they want from the Board- how can we help the organisation if we do not know what to do
- The agenda says one thing but we end up talking about other issues
- We do not meet often enough to be fully aware of what is happening
- The CEO wants to do all sorts of new things- there is not enough planning or if there is we are not aware.



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WHAT IS GOOD GOVERNANCE?



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- Governance, simply put is a process of decision making by a group of individuals.
- However, good governance in an organisational context has some key characteristics...



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1. Good Governance is based on a sound understanding of the organisation, what it is about, where it has been and where it is headed.



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Key determinants

- Every Board member needs to know and understand you want to achieve and for whom
- Explain the history of the organisation, the reasons for its existence
- Also share the mistakes that have been made, the lessons learnt
- ASK individual Board members if they have UNDERSTOOD what the organisation is about and if they have any doubts be available to clarify the same



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2. Good governance is that which steers the organisation towards the achievement of the mission



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Key determinants

- Proactively involve the Board in strategic planning for the organisation
- Identify the milestones that have to be achieved and explain it in clear concise terms- for example, do NOT say you want to empower the women in the village...say that you wish to bring the age of marriage up to 16 from 13 by the end of one year for at least 60% of the girls
- Send updates to the Board between meetings on the milestones.



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3. Good governance is implemented within the legal and statutory mandate within which the organisation operates.



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Key determinants

- Explain the legal liability aspect to every Board member
- They are ultimately the legal custodians of the organisation and it is your duty to ensure that everyone in the Board understands what they've signed up to.
- Have your legal advisor do a brief presentation on the laws that govern the organisation



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4. Good governance is participative and decision making democratic.



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Key determinants

- Involve ALL Board members in your organisation's decision making process even if they seem disinterested.
- If they are ASK them why they are
- Democracy is a great tool if its managed efficiently- do not compromise efficiency for democratic decision making



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5. Good governance is responsive and inclusive - addressing the needs of all key stakeholders



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Key determinants

- Make sure that the field realities are taken into account when you and the Board make decisions.
- Remember that any decision that is taken by the Board ultimately will affect the lives of several individuals
- Do a scan of the environment to ensure that you've taken into account all possible ramifications of the decision.



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6. Good governance is both effective and efficient decision making



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Key determinants

- Decisions made by the Board must be related to impact at organisational level.
- Make the decision efficiently- time is a key factor and many Boards take 'too much time'- this costs money and creates potential opportunity loss.
- Understand individual reasons for dissent- however, do not compromise efficiency and timeliness for democracy or consensus



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7. Good governance occurs when the Board has clarity on its role and individual members are aware of what is expected out of them.



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Key determinants

- Ensure that you have TOLD individual members what they are expected to DO at a given point in time of growth.
- Do this right at the beginning – if you do NOT want an individual to do anything then tell her/him so.
- Make sure you have a good orientation planned for your Board members so they understand why they have to do what maybe expected out of them.
- Create opportunities for the Board to interact with the clients of the organisation.



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8. Good governance is transparent.



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Key determinants

- Record, document and circulate comprehensive minutes
- Make sure that all Board members receive the same and have understood it.
- Make minutes available to other stakeholders but with discretion (Often the willingness to share some information is indicative enough of transparency- you may or may not based on the situation and context)



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9. Good governance ensures that there are adequate resources to help the organisation achieve its mission.



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Key determinants

- The Board's role in fundraising is critical to ensure that there are adequate resources to run the organisation.
- It is as much their job as anyone else's.



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10. Good governance ensures that the board is always performing optimally



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Key determinants

- Conduct a planned review of the Board's performance, preferably by an external person
- Let the Board know that you will enable a self assessment based on agreed responsibilities. This communicates that you value their contribution but also that if they do not perform, then that has to be taken stock of.



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Strategies that have worked to engage Boards better

- The contribution of a Board member has often been enhanced when opportunities to engage with the stakeholders and the directly served communities /individuals of the organisation have been created and nurtured
- Board members are usually acknowledged for their contributions even when they do not expect the same.



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Strategies that have worked to engage Boards better

- Understanding every Board member's individual motivations to serve on the Board helps engage the individual appropriately.
- Engagement is a continual process and not ad hoc.
- Communication to the Board is open , optimal and balanced.
- There is better engagement and initiative when the organisation performs well and there is complete trust in the CEO's abilities



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What's different about Indian Boards and probably true of Boards everywhere

- The selection of Board members is usually based on a 'contact' culture rather than a 'contract' culture
- Board processes tend to be largely informal irrespective of organisational / Board size or growth stage
- The Board is chosen more on the basis of who someone is rather than what they can do.
- Authority is derived from factors such as age, class and gender rather than what the person actually has done in their capacity as a Board member



What's different about Indian Boards and probably true of Boards everywhere

- The majority of Boards perform more of a statutory function than a governance function
- Succession planning is not considered vital enough in terms of sustainability and organisations tend to be founder dependent and driven
- There is almost a 'blind belief' in the founder- Boards feel more accountable to the founder than they are to the larger public



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Recap- tenets of good governance

Good Governance is based on being aware of

- Where does the organisation go tomorrow
- Who does what to get there and does everyone know this
- What gets done today
- Did it happen and how do we know that it did
- What do we need to change and when



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