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Governance Makeover
Bob Harris, CAE

As nonprofits struggle for relevance, the governance structure should not be the root of the problem[1].

Organizations are streamlining governance processes. It may be a revamp of the bylaws, fewer committees, smaller board or elimination of ex-officio seats at the board table.

In the Old Days
Many organizations were founded decades or a century ago – and their bylaws reflect, "The way we've always done it."   For instance, board seats were based upon geography so every member had a voice throughout the territory.   Today's boards require high performing directors with skillsets.

A house of delegates was used to gather member input and develop resolutions.   The large body met once or twice a year as a platform for vetting ideas. Today those responsibilities are handled by more timely committees and board meetings. The pace of change and expectations do not conform to the cumbersome structures.

When boards are asked - where do you want to start on a makeover? – the answer is often, "all of the above."

Ex-officio directors were added to respect persons who held specific positions (i.e. past presidents and founders.) Today the government expects to know precisely who is accountable and on the board. (Canada recently banned the role of ex-officio[2] on boards.)

Makeovers
Reforming governance starts with a realization by leadership that the current system is counterproductive or broken. This can cause anguish and it takes courageous leaders to promote change[3].

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[1] Judge it this way. How long does it take a member to communicate a problem or idea to reach a satisfactory resolution?   Does it enter the governance pipeline only to be delayed, lost or unresolved?

[2] Canada Not-for-Profit Corporations Act

[3] Recent literature to frame leadership discussions include *Race for Relevance*, *Road to Relevance*, *The End of Membership as We Know It*, *Maximum Engagement*, *Helping Organizations Turn Ideas into Reality*, *The Art of Membership* and *Assessing Board Performance.*

The approach may be a comprehensive system makeover or simply tweaking the elements. Here are the trends and outcomes.

- ✓ Smaller board of directors.
- ✓ Fewer board meetings; better use of executive committee.
- ✓ Merged or eliminated committees.
- ✓ Transformed nominating to a "leadership development committee."
- ✓ Reduced or eliminated the multiple "vice president of" positions.
- ✓ Empowerment of CEO where board volunteers are overly busy.
- ✓ Eliminated ex-officio positions, or multiple past presidents on board.
- ✓ Selection of directors based on competencies, not geography.
- ✓ Assigned board members to serve as committee *liaisons*, not committee chairs.
- ✓ Revised agenda to reduce reports; use of a consent agenda.
- ✓ Aligned committees and volunteer talent with strategic plan goals.
- ✓ Commitment to continuous governance review.

Analyze the Components

Start by assessing the governance components. Evaluate each document, practice or process to determine if it hinders or facilitates good governance.

- Governing Documents (bylaws, articles, policies)
- Nomination Process and Leader Development
- Board Composition and Skillsets
- Installation, Orientation and Board Access to Information
- Rules of Order, Culture and Decorum
- Board Meetings, Agendas, Frequency, Outcomes
- Committee Structure
- Subsidiary and Affiliate Organizations
- Statement of Purpose or Mission
- Strategic Plan
- Talent and Resources (people, finances, technology)

When boards are asked - where do you want to start on a makeover – the answer is often, "all of the above."

A governance makeover can be conducted by appointing a task force, comparing and contrasting similar organizations, or hiring consultants. Few organizations make drastic changes, preferring to phase in change over a year or more.

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Note: Bob Harris, CAE, provides governance and management tips and templates at www.nonprofitcenter.com.