

Finding Excellence in Governance

One of the sources of strength in communities across this country are volunteers who step up to participate in the work of non-profit organizations. Volunteers make a difference in enabling a non-profit organization to fulfill mission and to serve their communities. However when a volunteer agrees to join a Board there is often a sense of shock when they realize that a lot of their time is on matters of governance: setting a strategic plan, fiduciary responsibility, risk management assessment, regulatory compliance and demonstrating accountability to clients, funders and community. Many Boards and leadership teams of non-profit organizations often struggle to sustain the good work they do and balance all their requirements within an environment of scarce financial resources.

I have worked with a number of Boards and leadership teams on governance, on strategic planning, teamwork, balanced scorecard indicators and organizational excellence. I am also a Board member for a non-profit organization. Often times what I see is that volunteer Boards can be consumed in meeting governance responsibility to achieve organizational mission, strategy and service. There is increased demand for regulatory compliance, for knowledgeable and accountable Boards, for transparent performance indicators and for quality assurance. At the same time they have to focus on enabling an engaged and motivated professional staff to stay focused on mission.

What I advocate is for Board members and leadership teams to look at all their governance issues from a framework perspective so that they see the connectivity to operational issues and how the organization is fulfilling mission. For instance performance indicators are connected to quality assurance, and quality assurance is connected to process management and process management is often connected with risk management & training. All of the issues that a Board deals with should have line of sight to strategy and strategic goals. If that line of sight is not there, then the Board should consider why they are spending their valued time on that issue. This is why a framework for governance is critical for a volunteer Board, as with limited time together the issues that shape the core of the Board work plan should align with the strategic direction and goals of the organization. A strategic governance framework is an invaluable asset as it directs the Board to larger strategic issues while giving assurance the organization is functioning as intended.

A Strategic Governance Model is a disciplined approach to identifying what a Board needs to do to meet regulatory responsibilities and to fulfill expectations in their role as “stewards” of the vision and mission of the organization. A governance model provides the structure that will serve as a reference for how the Board exercises their role and responsibilities as defined by legislation, by Board policy and the dynamics of the relationship with staff, clients and the community. It also defines the boundaries for what is Board work and what is Staff work, without which there might be a source of conflict and misunderstanding. A Strategic Governance Model is key to achieving and sustaining performance for non-profit organizations and volunteer Boards.

Organizational excellence starts and ends with good governance and leadership. Good governance is an integral element to achieving organizational success. I believe there is much that Boards and leadership teams can learn from established Excellence Frameworks that have

the criteria for implementing a quality management system. Volunteer Boards need to have a high level of assurance that the organization is doing what it says and that the senior leaders reporting to the Board are performing as agreed through their performance management agreement.

Assurance as defined in the Oxford Canadian Dictionary means a positive declaration that a thing is true. A Strategic Governance Model will define the information and evidence needed by the Board to provide assurance that what is said and reported by the organizational leadership, as a positive declaration is true. Individual Board members have “personal assurance” when there is trust in the assurances (information & evidence) being provided. When Board members have trust in the assurance processes they can spend their volunteer time on matters that move the organization forward to doing good work in the community.

That is what the Excellence Frameworks are all about in that the criteria establish the platform for organization success and take a holistic approach to how the organization meets mission and strategy. There is ample empirical evidence of performance results from organizations that use their national Excellence Framework criteria as the way to guide their journey. Excellence Frameworks are about assurance- assurance for clients, staff, stakeholders and community as there is a demonstrated system of quality management throughout the organization. This is where a governance framework that is aligned with excellence becomes an invaluable asset for the Board. Good governance is fundamental to setting the conditions for good organizational performance. A governance framework provides clarity on the required systems & processes, the acceptable behaviours and relationships within the organization and relationships with clients and stakeholders. By using a governance model the Board sets out their “expectations” for how to achieve the Vision & Mission of the organization.

That is why Board members must establish with the leadership team what information they want to see and the regularity of that information. The Model should recognize that the level of evidence and information might vary according to the issues, to the knowledge and experience of the Board and to fully meet the legislative & fiduciary requirement.

I think the time is now for having a Strategic Governance Model that can be fully integrated with the use of an Excellence Framework so that there is coherence and alignment between the governance role and the organizational operational role.

I have thought about how to do that and have this simple schematic that outlines the four major components of a good governance framework- all of which fit within the construct of Excellence.

Strategic Governance Model



All four quadrants emanate from the words and purpose as articulated in the organizational Mission and Vision.

Assurance

Assurance processes provide the “confidence” platform to enable the Board to focus on strategic issues. With effective assurance processes the Board is aware that things are working as they should and if not then there is management action underway to remedy any problems.

Governance

The Governance Architecture quadrant is a way to identify the “bones” of the framework that include policies, by-laws, decision making, committees and other elements that affect the working of the Board, their roles and responsibilities.

Strategy

The Strategy quadrant is self-evident in that the Board has agreed to a current plan and is aware of progress on strategic goals and objectives through dashboard metrics and senior leadership reports.

Advocacy

The final quadrant Advocacy is a way to focus on the Board’s desire for outreach- within the organization, outside to the community & region and to the key stakeholders who have influence and impact on the direction of organization.

There are now a number of Universities and Institutes that provide “ Director” accreditation for individuals who want to join Boards. This is a good direction as there is a growing need for Board

members who have not just specific expertise but knowledge of the functioning and roles of Boards for good governance. There are also a number of governance frameworks and Institutes that promote good governance policies and practices. All to the good as Board members have available resources to them to guide how they perform.

Excellence Frameworks are used in many countries as the basis for National Awards of Excellence that recognize the “best of the best” whether in the private sector, the non-profit sector and the public sector. Some of those Excellence Frameworks are starting to include references to “governance “ as part of leadership criteria. With the growing importance of good governance, now is the time to look at how the principles of good governance, the policies & processes, can work within the proven criteria for Excellence Frameworks. When an organization utilizes an Excellence Framework for guiding performance the evidence is clear in terms of positive impact on results such as quality of service, financial performance, positive working culture and impact on society.

Linkage to the Organizational Excellence Framework

While some of the various National Excellence Frameworks have started to include “governance” in their criteria, most as part of the Leadership Criteria. What distinguishes the Organizational Excellence Framework is that the design of the criteria had a separate section on governance as a core element. As such, users of the OEF can assess their level of governance by referencing the criteria and use that assessment as the basis for continuous improvement. This is particularly helpful to volunteer Boards who are looking to improve or change their approach to governance.

For instance here is a sample of some of the OEF criteria on governance:

Governance is the set of core values, processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled:

- It includes the relationships among the many stakeholders involved and the goals for which the corporation is governed
- Stakeholders are principally the shareholders, management, and the board of directors and also include employees, customers, creditors, suppliers, regulators, and the community at large
- There is a need for a responsible, informed, and accountable governance or advisory body that can protect the interests of key stakeholders in publicly traded, private, and non-profit organizations
- The governance body should have independence in review and audit functions as well as a performance evaluation function that monitors the organization’s and senior leader’s performance
- Governance responsibility includes:
 - relating organizational values to practice

- defining and meeting internal and external reporting requirements
- measuring and achieving outstanding results with respect to society
- ensuring a process is in place to develop, deploy, and update policy and strategy
- ensuring policy and strategy are consistent with the organizations mission, vision, and concepts of excellence
- communicating policy and strategy to stakeholders and evaluating their awareness of it
- viewing the organization as a part of society with important responsibilities to
- satisfy the expectations of its people, customers, partners, owners, and other stakeholders
- balancing both long and short-term needs of stakeholders

About The Author



Dan Corbett has expertise in facilitating organizational excellence initiatives and strengths based leadership that brings positive change. He has served as President & CEO in the public and not-for-profit sectors and senior executive roles in the private sector. He has extensive experience working with leaders in the application and assessment of Excellence Frameworks to sustain strategy, to achieve goals and to enable a positive workplace culture that engages people in developing a shared vision for the desired future of their organization.

He consults within the non-profit sector working with leaders to build organizational capacity through a collaborative process that engages employees by focusing on organizational strengths to identify best opportunities for going forward and developing a delivery plan to achieve and sustain performance and organizational success.

Dan has community volunteer experience serving as the founding Chair of the Board of Sustainable Kingston and currently serves on the Executive Committee of the Board of Directors for the regions Family and Children Services agency.