

# Adapting to Our Changing Environment

April 28-29, 2022  
Doubletree Fallsview, Niagara Falls, Ontario



**IHM**  
Institute of Housing Management

46<sup>TH</sup> ANNUAL  
EDUCATIONAL CONFERENCE

## BOARD GOVERNANCE

### Building and Sustaining an Excellent Board

April 28, 2022



suzannegibson  
& associates  
awakening pure potential

1

## Session Goals



1. To examine a governance framework for excellence in Board leadership.
2. To review the role of individual directors on a non-profit Board.
3. To review Board models to determine which type of governance model you use.
4. To consider possible next steps to strengthen your Board's governance process and role.

suzannegibson  
& associates  
awakening pure potential

## Introductions

At your table, please *share in a minute or less*:

- your name and role
- one thing that is currently challenging or not working well for your Board



## Role of the Board of Directors

**Governance is defined as “the overall processes and structures used to direct and manage an organization’s operations and activities. The ultimate goal of governance is to ensure the *effectiveness, credibility and viability* of the organization.”**

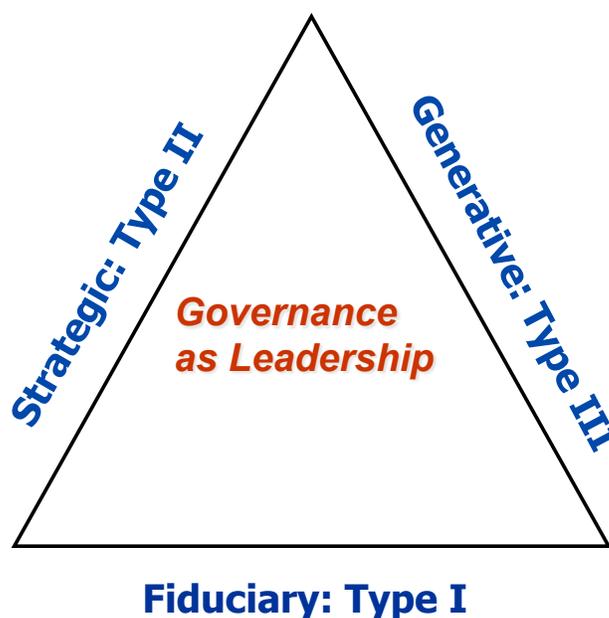
Broadbent Report, Canada’s Panel on Accountability and Governance in the Voluntary Sector, 1998

*Oversight, leadership, direction and policy setting*

## Board's Primary Functions

**Role of the Board of Directors: provision of clear and consistent leadership**

- Establishing the mission, vision and values & long-term strategic plans
- Ensuring that legal requirements are met
- Financial stewardship: ensuring the financial health of the organization
- Risk management, i.e. approving new directions/services
- Human resources stewardship
- Overseeing organizational operations
- Community representation, education and advocacy
- Performance monitoring: ensuring effectiveness and credibility of the organization
- Hiring and overseeing the performance of the Property Manager/ Executive Director



## 3 Pillars of Great Governance

### *Leadership, oversight, policy setting, and direction*

1. **Fiduciary** - managing your assets to achieve your mission and desired outcomes
2. **Strategic** - setting your mission, vision and values and undertaking planning and risk management to be proactive and respond to the environment
3. **Generative** - listening and responding to need and being creative about how the work is done - leveraging your assets and building generative relationships and solutions



### **SELF-GOVERNANCE**

Framework Source: Governance as Leadership, Chait, Ryan and Taylor



## A Quick Assessment – How Are You Doing as A Board?

### Pillar One: Fiduciary Role

**Board members have legal and fiduciary obligations.**

The Board:

- ✓ can be held accountable under the law for organizational performance and actions.
- ✓ carries the public trust and accountability on your organization's behalf - holds assets in trust for the organization at large.
- ✓ must comply with the corporations by-laws, relevant provisions of the statute under which the organization is incorporated and the rules established under common law governing directors' duties.

This must be undertaken with **due diligence**. Directors are required to exercise their power with competence and skill in the *best interests* of the organization with loyalty, honesty and good faith.

## How is your Board meeting its fiduciary responsibilities in each of these areas?

### Pillar One: Fiduciary

- **Financial Stewardship:** ensuring the financial health of the organization by managing your assets, finances and resources - this includes resource development/fundraising
- **Legal Compliance:** ensuring that legal requirements are met
- **Policy and Operational Oversight:** setting and adhering to sound operational policies and practices
- **ED/PM Oversight:** effective supervision, oversight and support of the senior staff person (Executive Director/Property Manager)
- **Asset Management:** ensuring financial reserves and organizational assets are stewarded and managed effectively
- **Risk Management:** Assesses risk and manages it thoughtfully and proactively
- **Measuring Performance:** ensuring performance benchmarks are met and the organization is effective and having a positive impact

## How is the Board meeting its strategic responsibilities in each of these areas?

### Pillar Two: Strategic

#### Role of the Board of Directors

- **Awareness of Environment:** As strategic thinkers, constantly paying attention to the environment and adjusting plans and priorities - exploring new ways to meet needs
- **Setting Mission, Vision and Values and/or End Statements:** Regularly reviews and rethinks the mission, vision, values and/or end statements to guide your organization and its priorities for maximum relevance and impact
- **Long-Term Planning:** Drives a long-term planning process and establishes a formal strategic plan
- **Annual Planning:** Ensures annual plans, reports and outcomes are aligned with strategic priorities and the vision

## How is your Board meeting its generative responsibilities in each of these areas?

### Pillar Three: Generative

#### Role of the Board of Directors

- **Listens and responds to community needs:** Responds to changing needs in the community, finds new ways to meet ends, engaged in community relation and public education
- **Leverages assets and competencies:** Leverages opportunities, funding and relationships, plays an ambassadorial role, broadens networks, etc.
- **Creative about the way you do your work:** Looks for creative responses and solutions, open to new and different approaches, supports a learning culture and environment, uses lateral thinking, uses an assets-based approach, etc.

## How is your Board meeting its generative responsibilities in each of these areas?

### Pillar Three: Generative

#### Role of the Board of Directors

- **Promotes partnerships and collaborations:** Values alliances and promotes collaborations and strategic and generative relationships
- **Encourages diversity on the Board:** Ensures divergent opinions and perspectives are promoted in all Board processes
- **Everyone participates in discussions:** Promotes diverse input and engaging dialogue in decision processes and deliberations
- **Celebrates successes:** Celebrates the Board's and individuals' achievements and contributions

## How is your Board doing?

### Role of the Board of Directors

Fiduciary	Strategic	Generative
-----------	-----------	------------

#### *Foundation: Self Governance*

- ✓ Knowing and adhering to our Board model
- ✓ Knowing our roles and responsibilities: Board, Chair and ED/PM
- ✓ Established and adhered to governance policies and code of conduct
- ✓ High degree of trust for each other, the Chair and ED/PM
- ✓ Established recruitment and succession strategies
- ✓ Effective processes for Board orientation and training
- ✓ Effectively run meetings

## How is your Board doing?

### Role of the Board of Directors

Fiduciary	Strategic	Generative
-----------	-----------	------------

#### *Foundation: Self Governance*

- ✓ Successful and clear deliberation and decision making processes
- ✓ Strong teamwork
- ✓ Effective communication at the board table and between meetings
- ✓ Committees are effective with clear processes
- ✓ Conflict mediation and resolution strategies are in place
- ✓ Continual improvement of the Board itself

## Role of Individual Directors

- Undertake duties of office with honesty and in good faith
- Act in manner consistent with mission, objectives and values of organization
- Attend and be prepared for Board meetings including the AGM
- Adhere to organizational policies and positions of the organization
- Speak up, participate and contribute expertise, skills and viewpoints to ensure broad representation of constituencies
- Stand behind collective Board decisions – the Board speaks with one voice and directors do not act apart from the Board
- Hold Board deliberations and discussions in confidence
- Declare any conflicts of interest and abstain from voting on any issues affecting such a conflict
- Follow and adhere to the line of authority and lines of communication (authority as a whole, directing the ED/PM, etc.)



**Do you have a code of conduct?**

## Great Governance: What Model is Your Board Using?

### Provision of clear and consistent leadership

- governance and policy development to provide overall direction
- management of sufficient and appropriate human and financial resources to accomplish work including financial and legal oversight
- operations: some boards actively participate in the operations

**There is a spectrum of different Board models.**

**How Boards function varies depending on the organization.**



## Focusing on Effectiveness and Efficiency

Excellent leadership is about being strategic...

Effective

What you do

Efficient

How you do it



How is your Board involved in these 2 strategic elements?

## Lines of Accountability and Authority



### What is the line between the Board and management?

- Depends on your Board *model* and *defined role*
- Depends on the *defined work* of the Board of Directors
- The line shifts and moves over time depending on the role of the Board, the growth of the organization, and organizational proficiency and competency

# Role of the Board of Directors

## Spectrum of different Board models

### Working or Administrative Board Model

Board does the work of the organization as well as governs it - it is operationally involved. Senior staff role is one of coordination and communication with staff and Board.

### Policy Board (Traditional) Model

Board governs and oversees operations through committees but *delegates the management* functions to the Executive Director/ Property Manager

### Policy Governance (Carver) Model

The Board governs through policies that establish organizational aims (ends), governance approach, and management limitations that define the Board/CEO relationship.

# Types of Boards

## A Working or Administrative Board

- The Board does the work of the organization as well as governs it. This is typical of a Board in the founding stage where the group must rely on Board members and volunteers to achieve its aims – or in smaller organizations.
  - involved in governance, management and operations
  - provides policy and general direction as well as helps in practical ways: building maintenance, organizing events, drafting documents, preparing budgets, etc.
  - Board members often volunteer in the administration of the organization and make operational decisions.
  - responsibilities: planning, finance, human resources, organization operations, community relations.



# Types of Boards



## A Working or Administrative Board

- committee structure supports management, administration, and work of operations.
- board member workload is heavy.
- there are few staff so often Board members act as direct service volunteers.
- ED or Manager's role is focused on communication and coordination between Board, staff and volunteers.
- Effective model: if Board has management and operational skills in specific areas where there are committees; where the organization is small; where there is a strong Board committee structure, and where Board members can volunteer a lot of time.

# Types of Boards



## A Policy Board (Traditional)

- the Board governs and oversees operations through committees but *delegates the management* functions to the ED/PM.
- committees are used to process information for the Board and sometimes to do the work of the Board.
- the ED/PM is responsible for operations and management and has a primary reporting relationship to the Board through the Chairperson.
- committees rely on the support of staff and review staff recommendations and provide community feedback which goes back to the Board for consideration.
  - most common structure for this model is a hierarchy.
  - Board has a Chairperson, active Executive Committee, and a number of committees.
  - Executive Committee is often empowered to do the work of the Board between Board meetings.
  - Chairperson and ED/PM act as key liaisons between staff and Board.

## Types of Boards



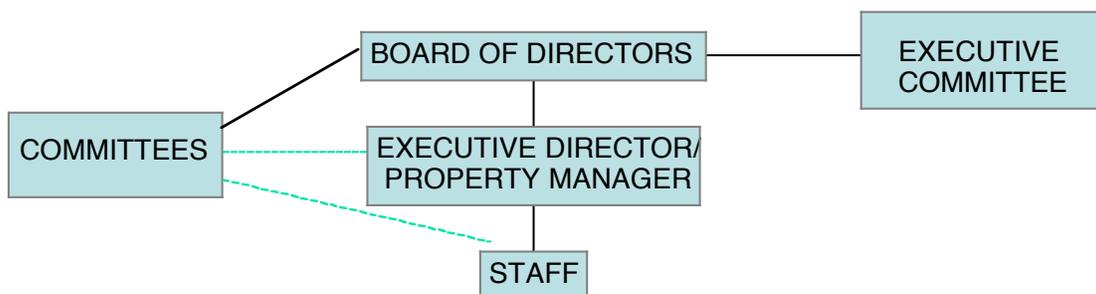
### A Policy Board (Traditional)

- The Board sets policies and procedures.
- A Planning Committee draws up plans for Board.
- Volunteer Treasurer, Finance Committee, Board reviews financial statements.
- An extensive committee structure supported by staff to do work of the Board.
- The Board receives reports.
- Decisions are made by voting.
- Effective for mid sized and larger organizations with a range of programs and services where a skilled ED is in place. Board members must have an interest in setting policy and willing to take a leading role on Board committees.
- Challenge is that Boards may wander into operations and day-to-day management and micromanage the ED and staff.

## Types of Boards



### A Policy Board (Traditional)



## Types of Boards



### A Policy Governance Board (Carver Model)

- The Board governs through policies that establish organizational aims (ends), governance approach, and management limitations that define the Board/CEO relationship.
- The CEO has broad freedom to determine the means (operations) that will be achieved to accomplish the aims. The CEO reports to the full Board. Committees are not used but task teams may be struck to assist the Board.
  - provides a hierarchical structure and method of proscribing limits on the CEO responsibilities.
  - focus is on mission, direction and general policy development.
  - determine ends to be achieved and means to the ends.
  - staff attend to all operations.
  - determines Board/Executive relationships and defines Board process.
  - individual officers' roles are minimized and there is a clear delineation of roles between Board, CEO, and staff.
  - broad discussion leads to decisions by consensus.

## Your Board Structure: In Groups



What Board model do you most closely reflect?

Where do you fit along the continuum?

What works about your model? Is anything challenging?

## Board Role: Setting Direction

### Issues of Micromanaging: Setting Parameters and Effective Delegation



- Desired Results: on what needs to be done, not how!
- Guidelines: parameters under which one must operate
- Resources: human, financial, technical, etc.
- Accountability: standards of performance to be used in evaluation
- Authority: ensure authority comes with responsibility.
- Consequences: what will happen as a result of the evaluation (good and bad)

## Adjournment

What are possible next steps  
for your Board to enhance its governance?

