



BEING a Governor!

**A Process
for Board
Development**

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BEING a Governor: A Process for Board Development

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INTRODUCTION

If you're like the majority of people serving on a governance board, you spend part of every meeting with other governors pouring over financial figures, worrying about funding, and making sure your organization is transparent and ethical in all its practices. If this is the sum total of your board experience, we suggest you've been missing out on the more rewarding aspects of governance. We believe governance can be a meaningful personal exercise and have a profound impact on the organization and its community.

Let us state up front, that financial oversight and stewardship as well as other fiduciary responsibilities are the primary responsibilities of being a governor... but they are not the only ones. Our research on attitudes and approaches to governance together with our personal experience serving on boards, have convinced us that governance can and should be more than an exercise in accountability and transparency. We've discovered that governance boards are more effective when members are willing to engage in a process of reflection, discussion and discovery about what it means to govern. This booklet is intended to ignite that willingness and debate.

“What does it mean to govern?” The peer learning circle methodology we recommend for exploring this issue helps board members tap into their collective understanding to come up with answers.

Many governance volunteers join the board of a nonprofit agency hoping to make a significant contribution. All too soon, the demands made on them as board members and the board's conventional ways of getting things done erode their enthusiasm. They end up preoccupied with fiduciary matters - *are the books balanced, will the agency raise enough money?* - rather than exploring the agency's role in its community. Concerns with sustainability get boiled down to examining ledgers instead of the longer-term wellbeing of the organization.

It's our belief that many governance volunteers would welcome the opportunity to make a more significant contribution to their agency. Changing entrenched attitudes about what constitutes the business of the board is no easy feat, but it is possible. Participatory approaches offer a means for challenging conventional ideas and creating conditions for change.

This guide begins with the question, *“What does it mean to govern?”* The peer learning circle methodology we recommend for exploring this issue helps board members tap into their collective understanding to come up with answers. Ultimately, this process of reflection, discussion and discovery creates new ways of working together for board members. It leads to innovative thinking and strategic decision making. The board gains a broader perspective on its role and that of the organization in responding to the external environment.

What this guide could do for your board

If you're wondering if it's worthwhile for your board to invest in enhancing the capacity of its governance volunteers, consider the story of the Developmental Disabilities Resource Centre (DDRC) in Calgary, Alberta. After wrestling with inconsistencies between the agency's values and its actual delivery of services, the board embarked on a journey of reflection and constructive exchange. Supported by a peer learning circle process, the DDRC has successfully realigned its values with its delivery model. The board and agency continue to adapt to new challenges as the organization establishes a new paradigm for its programs and services.

What relationships does your board need to develop in order to ensure that your agency's mission is fulfilled? What would your board have to do so that your organization is really meeting the needs of those it claims to serve, now and five years down the road? This guide will help move you to a level beyond reviewing budgets and approving motions, to a place where you can grapple with these larger questions.



A Case Study in Expanding the Capacity of Governance Volunteers

Just over a decade ago, the Developmental Disabilities Resources Centre (DDRC) was still putting persons with developmental disabilities in group homes, a practice which isolated residents from the wider community. A philosophical shift in the agency's understanding of how to increase the independence, dignity and self-worth of its clients led to board discussions about the agency's mission and vision. A decision was made to promote inclusion and independence for people with developmental disabilities. In the process, the agency's programs and service delivery model were revamped.

The board was at the forefront of the changes. Over the last few years, the agency has closed its group homes and established itself as a Canadian leader in promoting inclusion. Simultaneously, it has moved away from an economic model which relied almost exclusively on government grants, to one which includes entrepreneurial ventures. These contribute revenue to the agency's coffers and income-earning opportunities to clients.

Today the DDRC board is committed to engaging in discussion and reflection on what it means to govern the agency. On a periodic basis, the usual agenda is set aside to allow board members the chance to have these new kinds of conversation. Governors consider topics such as how to replicate agency services in communities outside of Calgary, the implications of becoming social entrepreneurs and thereby generating new income streams, nurturing board member development and succession planning.

The board evaluates its effectiveness across a number of dimensions including its understanding of the organizational culture - what it is and what it could be. It considers how to educate its members and others on governance. It is building the necessary relationships within the board to enhance collaboration and knowledge sharing. It has put tools and processes in place to analyze information internal and external to the agency.

The issues DDRC governors face are challenging. The board's capacity to find solutions has been strengthened immeasurably by consolidating the board around solid values, talking about those values and what they mean, and using a variety of governance competencies to nurture a sustainable future for the organization.

If you're still uncertain whether this guide is for you, we suggest your board completes the survey in chapter 3. It will give you a good sense of where you are now and what other board members understand about their role as governors. If previous responses to the survey are any indication, many governance volunteers are not realizing their potential as governors. The results of the survey will confirm how effective your own board is when it comes to matters of governance.

We have designed this guide for governance boards in organizations with annual budgets of \$500,000 to \$1.5 million. Other governance boards may benefit from using it, and in the absence of other planning tools, we suggest it could be implemented in larger organizations. The guide is

The results of the survey will confirm how effective your own board is when it comes to matters of governance.

not intended for working boards of smaller organizations, where board members may find themselves wearing many hats - from carrying out program functions to minding the books.

As you read this guide, you will note that very little time is spent addressing the importance of the relationship between a governance board and the CEO. This is a relationship that has significance for the whole organization. We felt however, that there is lots of literature on the general topic of "board-staff relations". In our opinion, a resource that was for governors by governors was missing. This is a gap we are trying to fill.



As a quick review of the literature on governance demonstrates, there are conflicting definitions and assumptions made for the terms: governance, board members, and board. For example, the words governor, trustee, director, board member and board volunteer, are terms which are used interchangeably to refer to individuals who constitute board membership . In this guide, we use these terms to refer to governance volunteers. A glossary at the back of the guide explains some of these terms.

Using this booklet

This booklet is organized around a series of learning objectives, in keeping with the best practices of adult learning and participatory development. The beginning of each chapter clarifies the learning objectives. Content is conveyed in such a way as to encourage a process of reflection, discussion and discovery, in keeping with the participatory process. Each chapter ends with a summary of key points. Further information on the peer learning process can be found in the Notes.

Tell your colleagues serving on boards about this guide!

You can encourage better board performance by encouraging your friends and business associates to consult this guide on Volunteer Canada's website.

We'd love to hear from you. Tell us about your success stories and let us know about any queries or challenges you have regarding the peer learning circle methodology. Comments or questions can be directed to Keith Seel, Director, Institute for Nonprofit Studies, phone (403) 440-7055, or by email to kseel@mtroyal.ca. Your help will ensure the development of stronger boards and agencies across this country.



1: BEYOND BUDGETS AND MOTIONS

A governance board can concern itself with much broader terms of reference than reviewing budgets and making motions. If your experience as a board member has been with boards that narrowly defined their mandate in this way, you may only just have scratched your potential as a governance volunteer. The first step in reaching your potential is to understand what might be keeping the boards you've served on from aiming higher with expectations for board performance. As a second step, we'll examine the need for change and what the bigger picture looks like for governance boards.

Boards today operate in an environment that demands increased accountability to a variety of parties concerned with the success of the organization: government authorities, funders, clients, staff, individual donors and the community. Changes in procedures for hiring, retaining and nurturing employees, as well as regulatory changes and shifts in social policy make for a more complex operational environment. Add the lack of clarity about the roles and responsibilities of the board vis-à-vis the community and the organization, and you can see that governance is a challenging activity .

From our research, we've ascertained that most literature on governance is focused on the following set of responsibilities for governance boards:

- ▶ Fiduciary - reviewing financial statements, ensuring the organization is solvent and behaving in an ethical manner, exercising legal accountabilities and dealing with liabilities
- ▶ Task and process - setting agendas, running meetings, making and passing motions, and dealing with employment issues
- ▶ Strategic - reviewing, revising or drafting organizational values, setting goals, planning for the future from a financial perspective and meeting projected growth targets

If you wanted to come to a deeper understanding of what it means to govern, you'd be hard pressed to find direction. There is a paucity of learning guides that actually address the question, *What does it mean to be a governor?* To complicate things, the answer to this question might not be readily summed up in a book. The best way to understand it is through an experiential and participatory approach.

Demanding times for governors

The fallout from large corporate financial scandals like Enron and WorldCom and some bad press about nonprofits that were also negligent or downright fraudulent have led to increasing demands for organizational accountability by regulators and funders. The upshot is legislation like the Sarbanes Oxley Act, American legislation which is having an impact in Canadian board rooms in both the private and nonprofit sectors. The act requires all publicly-traded companies to submit an annual report of the effectiveness of their internal accounting controls to the Securities Exchange Commission.

Nonprofit boards have responded to increased demands for accountability by focusing more on the fiduciary aspects of board governance rather than others which are just as important for the long-term wellbeing of the organization.

Beliefs about governance are reproduced through successive generations of board members. This makes changing beliefs difficult. Increasing calls for professionalism in managing money, people and outcomes

has led to a need for enhancing capacity within the organization and on the board.

A variety of factors reinforce how the board behaves and where it focuses its attention. Beliefs about governance are reproduced through successive generations of board members. This makes changing beliefs difficult. Most nonprofit organizations tend to be conservative when it comes to



change. There is an organizational culture in place and traditions take precedence over new ideas about how to govern or run the organization. When the topic of what it means to govern is raised, it tends to be through a process-based perspective, with the intent of improving the way meetings are conducted or how specific tasks are carried out. This stands in contrast to the grassroots, board-member, and experience-based perspective we believe is more productive in the long run. Governors often come to nonprofit boards from the for-profit world. Making the transition to the nonprofit sector can be difficult, complicated and unsuccessful if the differences between the two sectors and board expectations are not recognized. Social service agencies, for instance, need to be constantly challenging themselves with the questions:

- ▶ Are we relevant, and do we really make a difference?
- ▶ What are the social impacts we deliver?
- ▶ Does our economic base fit with our values and is it driving the kinds of programs and services we want to deliver?

A for-profit board is more concerned with maintaining shareholder value than with social impacts. We would expect the boards of nonprofit organizations to interpret their understanding of governance in a different way than corporate boards.

These points are a reminder that nonprofit organizations and their boards face changing times. Given the pressing social issues in communities and your agency's mandate to address some aspect of these, we believe it's time to reframe our understanding of what it means to govern. Rather than equating governance with strictly fiduciary accountability, we could broaden our definition to include accountability in relation to social problems. In this case, governance is a function of:

1. How the board determines its accountability to the agency's clients and the wider community, *and*
2. The processes it adopts to achieve a collective understanding of purpose in alignment with the organization's mission.

This “big picture” view of governance can lead to new insights about how the organization directs its energies for the future. A new vision may emerge, with greater clarity about the organization's passion, what it alone can excel at, and ways to achieve broader social impact.

Getting "change ready" is no mean feat. Large organizations in all sectors have spent untold dollars on change initiatives, only to be frustrated and frequently unsuccessful. We believe nonprofit boards of governance have a unique opportunity to move through change by recognizing that governing is a "participatory activity" in which governors can explore collectively how to enhance the performance of the board.

There is value in exploring beyond the usual confines or tacit understanding of what it means to serve on a governance board, through participatory approaches that develop a shared understanding among board members of their role on behalf of the organization. Peer learning circles represent one such incremental approach. It is to these we turn in the next chapter.

Summary of key points

1. If you would reach your potential as a governance volunteer, take time to examine the current culture of your board and its definition of, and practices around accountability.
2. If you want to come to a deeper understanding of what governance is, ask the question, What does it mean to be a governor?
3. Nonprofit boards are different from governance boards in the for-profit sector. Their accountabilities are necessarily different.
4. To remain relevant and able to respond to changing circumstances, governance boards in the nonprofit sector will have to change.
5. Changing the board's understanding of governance is an incremental process best conducted with a participatory approach.



2: PEER LEARNING CIRCLES: LEARNING AND DISCOVERY FOR BOARDS OF GOVERNANCE

It's time to get down to the practicalities of how you engage other board members in building your joint capacity in governance. Independently, each governor may be adept at solving problems and coming up with innovative ideas. Harnessing these individual talents in a collective effort to support your agency's vision and mission requires a process that builds trust, promotes learning on how to work together, and leads to the creation of new insights about governing and the agency's future.

Peer Learning Circles (PLC's) are a vehicle for enhancing the kind of participatory learning that can take place in a group of governors. Originally conceived in Sweden more than 100 years ago, PLC's have been shown to overcome the inertia that many people experience when confronted by the need for change in organizations. Our field testing with this learning methodology in more than 20 organizations has shown that PLC's result in the kind of higher level learning that positions participants to develop new perspectives and to jointly work out solutions to thorny problems.

Unlike more process-oriented approaches or conventional training techniques, PLC's emphasize a combination of reflection, discussion and shared learning or discovery. This is experiential rather than didactic or practical learning, and is retained by participants long after the learning circle ceases to meet. Most of us recognize the difference between a lecture, classroom-based training, and exploring ideas in a small group. PLC's fall into the latter category. The participatory approach of PLC's means that board participants have greater control over what they need and want to learn. This in turn increases their capacity individually and collectively for critical thinking, problem solving and decision making. The benefit to the organization is the creation of new learning and action plans for furthering its mandate.

Creating a culture of learning and discovery on governance boards

In the context of governance learning and discovery, PLC's provide the locus for answering three key questions for your board:

1. What does it mean to govern?
2. What do we need to know to work in a new way?
3. How will we organize ourselves to achieve this?

The best way to answer these questions in the context of a governance board is with a participatory approach that taps into the knowledge vested in board members. Some of this knowledge may be tacit, held so deeply by individual governors that without the structure of a PLC, it is difficult to express; it has almost certainly never been documented. Knowledge is also created through the process of reflection-discussion-discovery that is part of the participatory approach. At their most successful, PLC's create new organizational learning through joint exploration. In turn, governors are able to conceive new ways for the organization to be involved in its community and to better serve its clients.



*The Peer Learning Circle Process;
A continuous process of learning from experience*



The reasons for beginning to consciously consider your board's governance model may arise from the realization that your external or internal environment is changing. Internally, there may be recognition it's time to review the board model. *While virtual interactions have their place, they are a poor substitute for personal encounters when it comes to building trust and understanding.* External factors can change the placement of your agency in the community. Your values as an organization begin to shift. In our work using PLC's in organizations, the board's capacity for handling change is enhanced with this participatory process.

The first radical step is to answer the question, "What does it mean to govern fully?" Certainly it means more than ensuring the books are in order. Your books may be perfect but how useful is that if the agency is becoming less and less relevant to the community and your clients? "Governing" in the broader sense of the term begins to mean thinking beyond how the agency functions or the fulfillment of fiduciary obligations to ensure due diligence. New considerations include:

- ▶ The organization's place in community
- ▶ Opportunities for ventures outside of traditional service provision
- ▶ Engagement of a new values base representing your agency's most dearly held objectives
- ▶ Working to change people's behaviours and values, inside the organization, and outside in the wider community

The reflection and discussion process in a PLC is premised on two ideas:

1. Acknowledging that your individual approach to problem solving could be enhanced by holding a constructive exchange with others who take different approaches. In other words, be willing to recognize your own limitations.
2. Your board will add more value to the organization if governors learn to accept each other's differences in decision making styles and to honour each other's experiences of board work.

Your understanding of an experience you had in a board situation might be different from someone else's understanding of the same circumstance, but it's yours to own and reflect upon. Someone else listening to you can learn from your experience and your mistakes.

Most of us in western societies live in a digital world. Many of our exchanges are virtual rather than face-to-face. While virtual interactions have their place, they are a poor substitute for personal encounters when it comes to building trust and understanding. Real change is predicated on a foundation of dialogue and understanding. *"What does it mean to govern fully?"* To achieve this kind of foundation requires face-to-face encounters and opportunities for exploration and discovery. PLC's require real world/real time exchanges that can only occur when a group of well-intentioned people come together to share and learn.

Consistent with these opportunities for face-to-face exchanges is a commitment from participants to follow through and attend every meeting scheduled for the PLC. Normally, this consists of seven meetings - an introductory meeting and six sessions to explore the various dimensions of board governance. A board could choose to set aside one to two hours a month for seven months at its regularly-scheduled board meetings, or it could meet on a quarterly basis for longer meetings to gradually cover the topics.

Remind board members that if they miss PLC meetings they are cheated of the collective learning experience; suggest this could undermine the quality of the process for them and the rest of the board. Inevitably, some members will miss a meeting. A summary of each session prepared by the facilitators can bring these participants up-to-date with the results of the learning and discovery process.



The How-to of PLC's

Successful governance PLC's require at a minimum skilled facilitation, a group of committed board governors, a regular time and place to meet, and a well-organized agenda with topics for discussion.

Talented facilitation is essential to the group's progress in a PLC. Facilitators help to create an atmosphere of trust which contributes to the learning and discovery process. Left to its own devices without expert facilitation, your group could be handicapped when it comes to handling challenges of a group dynamic nature. Facilitators also ensure meetings of the PLC run smoothly and that everyone's contributions are treated with respect.

These various measures promote understanding and help build trust. Research on the use of PLC's has demonstrated that two facilitators are better than one. The ideal group size is 10 to 12 (10 is regarded as a minimum for adult learning situations because it creates momentum in the sharing of ideas). More than 12 participants may mean that some voices are rarely, if ever, heard. Having two facilitators means that in small group discussions there is more than one facilitator to assist with the group's work. It also helps ensure that in the larger group of 10 to 12 people, everyone is heard and all ideas are captured.

Smoothly functioning PLC's require a degree of organization. PLC's are grounded in adult learning theory, with clearly identified outcomes and processes for achieving those. An agenda and clearly crafted questions for discussion purposes ensure more effective use of time and result in richer learning. Facilitators are responsible for organizing meetings, preparing agendas, and facilitating the participatory process. They also prepare summaries from participant observations and ensure each participant receives a summary prior to the next meeting of the PLC.

It's possible to have too many rules and too much formality in your group. Fewer rules make for more creativity. One way to ensure respectful listening and sharing is for the facilitators to have participants at the first meeting identify "ground rules" for participation. These rules are self-generated and ascribed to by participants as a way of ensuring confidentiality and considerate sharing. Introducing a list of principles for terms of engagement is another way to put ground rules into place. Yet a third way is to use a formal document that sets out how your group will conduct itself ethically; each participant would then sign this document prior to the first session on a governance competency. For a sample list of ground rules, please see the Appendix.

These various measures are not meant to stifle reflection or the sharing of ideas. They promote understanding and help build trust. Participants need the reassurance that what is said during the sessions will not be repeated afterwards to non-participants. People aren't willing to talk openly about their past board experiences without some ground rules in place to assure confidentiality.

During the course of discussions, your group may discover it requires additional information in order to debate an issue or agenda item. Facilitators and/or group participants will need to be able to locate this information. One way to identify the "connectors" in the room who have access to different kinds of information is to undertake a survey of participants' resources and networks during the first session. Facilitators could lead the group in conducting a formal environmental scan, or a more informal technique could be used to solicit this information.

Conducting the first, introductory meeting

Your learning circle is ready for its first meeting. Facilitators have been identified and your fellow board governors have assembled. Here's a sample checklist for the first meeting:

Pre-meeting:

- ▶ Facilitators for first session identified prior to session.
- ▶ Meeting place and time identified.



- ▶ Agenda published and disseminated in advance.
- ▶ Pre-survey distributed and completed in advance, or distributed at first meeting. Prior distribution makes it possible for the facilitators to review and summarize the responses with greater insight at the first meeting.

Conducting the first meeting:

- ▶ Discussion of a protocol for maintaining confidentiality and building trust, led by the group's facilitator(s). Signing of formal document or a verbal agreement by participants to abide by a set of ground rules.
- ▶ Environmental scan: group participants introduce themselves and identify their networks and resources which could be of use to the group in its discussions.
- ▶ Survey form is distributed at this meeting if it has not been disseminated beforehand. Participants complete the survey. Facilitators collect the surveys and review the results with participants. A discussion ensues, with facilitators asking the group's members what they thought of the questions and what they learned from the results.
- ▶ Facilitators briefly introduce the six governance competencies and invite the group to decide what order they will do them in.

By the end of this first meeting, your questions about the process have been answered and everyone is comfortable with how issues of confidentiality will be handled. The survey's results and ensuing discussion have highlighted some of the strengths and weaknesses of your board. You are ready to embark on a journey of discovery.

Subsequent meetings of the PLC

At future meetings, facilitators will review the previous session's feedback and introduce the governance competency under consideration. Worksheets on a specific governance competency will be distributed and the process for reflection-discussion-discovery reviewed. Your group will alternate between working individually on the worksheets for reflection purposes, discussing worksheet questions in small groups, and then sharing big ideas and learning with the larger group during the discovery process. New themes for exploration may emerge during the discussion and discovery phases. The larger group could decide to investigate these further prior to the next meeting. Action plans may be developed, with board members opting to work on specific items.

In our next chapter, we explain the pre- and post-survey tool, a prerequisite to understanding your potential as a governance volunteer.

Summary of key points

1. Peer learning circles (PLC's) create experiential learning with a process of reflection, discussion and discovery. This increases individual capacity and enhances group collaboration.
2. Your learning will be immeasurably increased if you keep an open mind and acknowledge the limits to your knowledge on governing.
3. Participants in a PLC need to commit to all seven meetings if the organization is to benefit.
4. Skilled facilitation is an important feature of successful PLC's.
5. Ground rules arrived at by the group ensure participants are comfortable in sharing ideas and experiences.
6. Too many rules can stifle sharing.
7. It pays to be well organized for group meetings.



3: PRE- AND POST-PROJECT QUESTIONNAIRE

The pre-project questionnaire is an opportunity for governors on your board to take stock. The purpose of the questionnaire is to understand your current perspective on governance. The results of this survey help establish the themes that will be discussed during the peer learning circle meetings. Your answers also create a benchmark that aids in verifying the effectiveness of the PLC process.

The differing perspectives on governance can enrich your work together. People serving on a board have multiple accountabilities, both professionally and personally. Many have never taken time to reflect and take stock of their experiences as a board member. By completing the questionnaire with other board members, you begin to appreciate the differing

perspectives on governance which members of your board have. These differences can enrich your work together. Failure to acknowledge them, however, can undermine the effectiveness of the board. Studies of governance have demonstrated that markedly different perspectives on the role of a governor or in decision making styles and processes can, if left unacknowledged, lead to frustration and conflict. The road to more constructive dialogue begins with a benchmark appreciation of your understanding of governance and the role of the governor.

The questionnaire can be administered in advance via email, and then returned to the sender. Alternatively, it can be completed at the first session of the peer learning circle. The questionnaire sets the stage for reflection at this first meeting. Each member fills in the survey independently, prior to the group discussion. A review of the answers by the facilitators highlights similarities and differences your group holds about governance. This overview leads into the process of discussion and discovery, as your group explores its differing perspectives.

In the course of discussing their answers on the pre-project questionnaire, board members may identify topics or themes they want to explore further. This is where information from the environmental scan conducted earlier in the meeting comes in handy. Facilitators or participants may offer to use their connections to find answers to questions posed.

Post-project questionnaire

The questionnaire is re-administered at the end of the Peer Learning Circle process. The first section of the survey instrument, “Experience as a Board Member”, is omitted for the post-project survey. Feedback from the post-project questionnaires we’ve administered speaks to the power of the PLC methodology. Comments have included:

“Governance is making a commitment to the mission of an organization by acting as a representative of the larger community to ensure accountability and transparency.”

“Recognize that the board’s role is to steward, nurture and respect the history of the organization while guiding and leading its place in the future. Think about the responsibility you take on, not what you should be getting back.”

“Governance is actively bridging the organization with societal norms and the broader community.”

“Necessary... mucky... rewarding... an element of living your great life...”

Once the results of the pre-project questionnaire have been discussed, the facilitators introduce the six competencies of a governor. It’s time to move on to the real “meat” of a peer learning circle on governance.



Summary of key points

1. The pre-project questionnaire sets a benchmark against which future learning in the peer learning circle can be compared.
2. Responses to the survey instrument highlight differing views and experiences of governance held by board members.
3. The questionnaire begins a process of reflection which is the first stage of three in the PLC methodology.
4. Participants can complete the questionnaire prior to the first meeting of the group or in the course of the first meeting.
5. The post-project questionnaire verifies the learning which has taken place during the PLC process.



Governance Project Pre-Project Questionnaire

DirectorName: _____

Date: _____

The purpose of this survey is to understand your current perspective on governance. During this survey you will also have the opportunity to respond to a number of questions addressing various aspects of governance that appear in the literature.

The survey results will help establish the themes that will be discussed during the peer learning circle meetings.

Each section will ask you to rate your response using a 1-to-5 scale in which 5 indicates you strongly agree with a statement and 1 indicates you strongly disagree. There are also open-ended questions that ask you for more detail and explanation within each section.

This survey should take approximately 20 minutes to complete.

Experience as a Board Member/Governor

To begin, I would like to ask a few questions to understand the experience you bring to the peer learning circle.

1. How many years have you been volunteering on boards of directors? _____
2. Of those years, about how many would you say you have spent as a volunteer on a governance board? _____
3. Are you currently serving on a board? _____
4. From your experience, about how many hours per month do board responsibilities require? _____ (hrs)
5. What do you spend the most amount of time doing as a board member? _____



Defining Governance

Governance can mean a lot of things. I am going to read you some definitions of governance and ask you whether you agree or disagree that this is a definition of governance AS YOU UNDERSTAND IT.

Please pick a number between 1 and 5 to indicate your level of agreement with the statements below. On a scale of 1 to 5, 1 is for Disagree Strongly; 5 represents Strongly Agree. DK means Do Not Know.

Governance is...	Disagree Strongly					Agree Strongly	DK
	1	2	3	4	5		
6. to sway, rule, influence a person, people or an organization	1	2	3	4	5	DK	
7. to direct and control a person, people, group or organization with the authority of a superior	1	2	3	4	5	DK	
8. to direct, guide, or regulate the conduct of a person, people, group or organization	1	2	3	4	5	DK	
9. an activity that has as its goal protection of the public interest	1	2	3	4	5	DK	
10. leadership	1	2	3	4	5	DK	
11. a decision making vehicle	1	2	3	4	5	DK	
12. a means by which the interests of an organization are protected	1	2	3	4	5	DK	
13. an activity that actively bridges an organization with the broader community	1	2	3	4	5	DK	
14. focused on the future more than the present	1	2	3	4	5	DK	
15. depends on who the funder is	1	2	3	4	5	DK	
16. about accountability to those investing in the organization	1	2	3	4	5	DK	
17. about representing the organization to the community	1	2	3	4	5	DK	
18. about responsibility to stakeholders in the mission of the organization	1	2	3	4	5	DK	
19. mostly an activity that is internal to the organization	1	2	3	4	5	DK	
20. never "hands on" in terms of operations	1	2	3	4	5	DK	
21. other definitions (facilitator's choice)	1	2	3	4	5	DK	
22. other definitions (facilitator's choice)	1	2	3	4	5	DK	
23. Using your own words and experience, define governance.							



Board Member Characteristics

A board is made up of many different people. **Thinking back to your experience how important would you rate the following?**

Please pick a number between 1 and 5 to indicate your level of agreement with the statements below. On a scale of 1 to 5, 1 is for Disagree Strongly; 5 represents Strongly Agree. DK means Do Not Know.

Board members should have...	Disagree Strongly					Agree Strongly
	1	2	3	4	5	DK
24. a belief in the values of the organization	1	2	3	4	5	DK
25. a commitment to the work of the organization	1	2	3	4	5	DK
26. an ability to articulate a vision for the organization	1	2	3	4	5	DK
27. a willingness to represent the organization to the public	1	2	3	4	5	DK
28. an ability and commitment to attend meetings and board related activities	1	2	3	4	5	DK
29. an ability to work with others	1	2	3	4	5	DK
30. common sense	1	2	3	4	5	DK
31. good judgment	1	2	3	4	5	DK
32. specific skills, e.g., legal, HR, finance	1	2	3	4	5	DK
33. knowledge about board roles and responsibilities	1	2	3	4	5	DK
34. knowledge of board processes	1	2	3	4	5	DK
35. knowledge of policy issues affecting organization	1	2	3	4	5	DK
36. connections to money or influence	1	2	3	4	5	DK
37. an ability to read financial statements	1	2	3	4	5	DK
38. 100% attendance at board meetings	1	2	3	4	5	DK
39. know their role and responsibilities	1	2	3	4	5	DK
40. a strong reputation in the community	1	2	3	4	5	DK
41. networks to other groups or organizations	1	2	3	4	5	DK
42. a capacity to donate to the organization	1	2	3	4	5	DK
43. political or policy experience	1	2	3	4	5	DK
44. other competencies (facilitator's choice)	1	2	3	4	5	DK
45. other competencies (facilitator's choice)	1	2	3	4	5	DK
46. other competencies (facilitator's choice)	1	2	3	4	5	DK
47. For me, the most important characteristic of a board member is:						



Creating a Sense of Identity

It takes time to learn to be a board member. The next set of questions explores how you have come to learn about governance and your role as a governor.

Please pick a number between 1 and 5 to indicate your level of agreement with the statements below. On a scale of 1 to 5, 1 is for Disagree Strongly; 5 represents Strongly Agree. DK means Do Not Know.

I learned about governance and my role as a governor...	Disagree Strongly			Agree Strongly		
48. by doing things with the organization to further the mission	1	2	3	4	5	DK
49. by learning from staff	1	2	3	4	5	DK
50. by working through tough decisions with other board members	1	2	3	4	5	DK
51. by discussing the values of the organization with other board members	1	2	3	4	5	DK
52. by talking with other governors of other organizations	1	2	3	4	5	DK
53. by participating on boards of directors	1	2	3	4	5	DK
54. on my own	1	2	3	4	5	DK
55. by taking board governance training	1	2	3	4	5	DK
56. through board retreats	1	2	3	4	5	DK
57. through explicit feedback on how I perform as a governor	1	2	3	4	5	DK
58. by reading books	1	2	3	4	5	DK
59. by having a mentor on the board	1	2	3	4	5	DK
60. other ways of learning (facilitator's choice)	1	2	3	4	5	DK
61. other ways of learning (facilitator's choice)	1	2	3	4	5	DK
62. What three things would you tell someone who has NEVER been on a board before about being a member of a governance board: <ul style="list-style-type: none"> • _____ • _____ • _____ 						
Other thoughts on governance...						

Thank you



4: THE SIX COMPETENCIES OF GOVERNANCE

If your board is like most governance boards in the nonprofit sector, it's composed of individuals with diverse skill sets and approaches to working together. Some governors will have considerable experience; others may be relative newcomers to a governance board. This diversity can be a real asset to the organization, but only if board members find a way to learn from each other's differences. Appreciating diverse skills and board competencies contributes to building the board's capacity in collaborating and finding solutions.

The boards which integrate this kind of learning in their normal activities become more cohesive and produce more significant results for their organizations.

Governance has been defined as “a collective effort through smooth and suitable processes” to advance the best interests of the organization. Strengthening these processes in spite of (or because of) individual differences is essential for the board's collaboration to be productive and add value to the organization.

Extensive research on aspects of board governance has resulted in the identification of six distinct competencies which underlie board behaviour. We believe a board must possess all six to govern ably. These competencies have the following dimensions: contextual, educational, interpersonal, analytic, political and strategic. (Chait et al., 1996)

This chapter briefly reviews these competencies and the process for exploring them. Worksheets with questions relating to each competency are included to facilitate your board's discussion and exploration process.

Six competencies of governance

To be effective and add value to your organization, your board needs to build its capacity in two areas:

1. Your capacity to learn, analyze, decide and act, and
2. Your capacity in terms of managing internal dynamics on the board and responding to the organization's political climate .

By following the worksheet guides, any board can enhance its ability in each of these areas. Better solutions are created when governors become willing to deepen their understanding of the following aspects:

- ▶ Organizational culture
- ▶ Roles and responsibilities of board members
- ▶ Promoting inclusiveness among governors
- ▶ Encouraging experimentation and accepting ambiguity
- ▶ Respecting, consulting and communicating with other parties who have an interest in the organization
- ▶ Envisioning a direction and shaping strategy

Each worksheet which follows has a set of questions for participants to answer.

The process of self-reflection about the questions, together with discussing and exploring responses, may be the catalyst your board needs to take its work to a whole new level. Your learning as a board need not stop with completion of the six worksheets. Our experience with boards has demonstrated that those that integrate this kind of learning in their normal activities become more cohesive and produce more significant results for their organizations.



The Facilitation Process

The second meeting of the governance group begins the process of examining the six competencies of governance. As previously mentioned in the chapter on peer learning circles, your group has already decided which of the six competencies it will examine at this second meeting. Facilitators begin by briefly going over the results of the group's discussion from a previous meeting.

Facilitators remind participants that the questions in the worksheets are meant to motivate people to share their experiences and understanding – there are no wrong or right answers. In sharing their responses with the larger group, participants need to know they will not be criticized for their understanding, which comes out of their previous board experiences. Your board's "ground rules" or principles of engagement may be reviewed.

The worksheet for the topic under discussion is handed out and the significance of the competency explained. Participants are invited to use the section on the back page of the worksheet for entering their personal reflections on the topic. This section can be filled in during the session, at the end of the session, or a day or two later after further time for reflection. If board members choose the latter course of action, the worksheet must be returned to the facilitator in a timely way to permit review of reflections and collation of participants' comments.

The meeting continues:

- ▶ Participants fill out the first part of the worksheet, working alone.
- ▶ Facilitators split the larger group into smaller groups of 3 to 4 people. Each group picks a reporter who will capture and summarize the group's reflections, for presentation to the larger group later in the session. Within the small group participants share their reflections and responses with each other.
- ▶ The small groups report back to the large group, with time for further discussion and discovery.

There are final observations from facilitators, and a reminder about next session.

The worksheets are returned to participants at the next meeting, and everyone is apprised of the research results. Facilitators are responsible for preparing a summary of the reflections shared, including identifying the most salient learning themes that have emerged during the discussion. Participants receive these results prior to their next meeting.

Sample agenda for a meeting

- ▶ Welcome and review by facilitators (5 to 10 minutes)
- ▶ Competency for discussion briefly explained and the worksheets handed out for individual reflection and response (15 minutes)
- ▶ Small group sharing (30 to 45 minutes)
- ▶ Large group debrief and discussion (30 to 60 minutes)
- ▶ Final observations from facilitators (5 minutes)

Total time: allow from 1 ½ hours to 2 hours per competency topic.



Summary of key points

1. The board's capacity is enhanced when people appreciate and learn to work productively with each other's differing skill sets and competencies in governance.
2. There are six distinct competencies which underlie board behaviour. A board must possess all six to govern ably.
3. The worksheets encourage a process of self-reflection followed by group discussion and discovery. This process could take your board work to a whole new level.
4. There are no wrong or right answers to the questions on the worksheets.
5. Each participant in the process is invited to complete the section at the end of the worksheet on personal reflection. These reflections provide opportunities for further discussion and exploration.



Governor's Name: _____

Date: _____

Contextual Dimension of Governance




The contextual dimension of governance is the way in which the board understands and takes into account the culture and norms of the organization it governs. Specifically, the board:

- Adapts to the distinctive characteristics and culture of the organization's environment
- Relies on the organization's mission, values, and tradition as a guide for decisions
- Acts so as to exemplify and reinforce the organization's values
(Chait et al., *Improving the Performance of Governing Boards*, 1996, p. 7)

The foregoing appears to be set in an internal context within the organization. A question may be whether or not the characteristics/culture of a community external to the organization should also be considered by governors.

Definition of Governance	Notes/Thoughts
<p>How would you define the term, "governance"? Four levels of understanding may be helpful in crafting your definition:</p> <ul style="list-style-type: none">• Self• Organization• Community• Global	
Governance and Organizational Culture and Norms	Notes/Thoughts
<p>Every organization has a unique culture in place, with particular norms or guidelines for behaviour and interaction.</p> <ol style="list-style-type: none">1. Given your definition of governance, how do organizational culture and norms affect how governance is carried out by a board?2. Which has a greater influence on the way the organization operates: its unique culture and norms, or the culture and norms of the sector in which the organization operates?3. Do the requirements of governance take precedence over organizational culture and norms?	



Governance and Values	Notes/Thoughts
<ol style="list-style-type: none">1. In what ways do the organization's values, vision, and mission bear on governance decisions?2. Do you agree or disagree with the following statement: Governance should reinforce the organization's values. Please explain.	
Governance and the Governor	Notes/Thoughts
<ol style="list-style-type: none">1. What do the terms "culture," "norms," and "values" mean to you? Describe these in the context of your organization.2. In your opinion, which picture below best portrays the relationship between the governance of the organization and the culture, norms, and values of the organization? Independent  Some overlap  Full overlap 	



Reflection on Governance	Notes/Thoughts
<p>Think about context (culture, norms, values) and what this means to your understanding of governance. What would you tell someone who has never been on a board about being a governor?</p>	
Reflection on this meeting	Notes/Thoughts
<p>Thinking about the discussions you have had around the topics on this worksheet, what is one thing that you have learned that you did not know before today?</p>	

Other thoughts:



Governor's Name: _____

Date: _____

Educational Dimension of Governance

The board takes the necessary steps to ensure that directors are knowledgeable about the organization, the professions it may work with, and the board's roles, responsibilities, and performance. The board:

- Consciously creates opportunities for director education and development
- Regularly seeks information and feedback on its own performance
- Pauses periodically for self-reflection to diagnose its strengths and limitations, and to examine its mistakes (Chait et al., *Improving the Performance of Governing Boards* 1996, p. 7)

Awareness of the Organization	Notes/Thoughts
<p>Governors need to know what they are governing.</p> <ol style="list-style-type: none">1. Think about the growth of an organization from a small start up to a larger agency providing multiple services. As the organization grows, what kind of information do governors need to govern effectively?2. How does a board know if it has enough information about the organization?3. From your experience, describe how effective the agency orientation process typically is for a new board member.	
Director Education & Development	Notes/Thoughts
<ol style="list-style-type: none">1. The literature recommends that the board invest in its own educational activities. What should it invest in?2. What kinds of educational activities could the board as a whole undertake? What about individual members?3. Do you agree or disagree with the following statement: It is possible to educate people to be good governors. Please explain.	



Board Evaluation	Notes/Thoughts
<p>Effective boards regularly evaluate their performance.</p> <ol style="list-style-type: none"> 1. What form could a board evaluation take to ascertain if (a) board members are performing well as governors, or (b) if the board is performing well as a corporate entity? 2. What do you recommend be evaluated through a board evaluation process? 	
Being a Reflective Board	Notes/Thoughts
<ol style="list-style-type: none"> 1. Is self-reflection by a board necessary? If it is, what purpose does it serve? 2. What form would self-reflection take so that it contributed to good governance? 3. Meetings are usually agenda-driven, with little time for reflection. How can a board ensure that it learns from its mistakes? 	
Reflection on Governance	Notes/Thoughts
<p><i>Think about the educational dimension of governance.</i></p> <p>What would you tell someone who has never been on a board about being a governor?</p>	
Reflection on this meeting	Notes/Thoughts
<p>Thinking about the discussions you have had around the topics on this worksheet, what is one thing that you have learned that you did not know before today?</p>	

Other thoughts:



Governor's Name: _____

Date: _____

Interpersonal Dimension of Governance

The board nurtures the development of trustees as a working group, attends to the board's collective welfare, and fosters a sense of cohesiveness. The board:

- Creates a sense of inclusiveness among trustees
- Develops group goals
- Recognizes group achievements
- Identifies and cultivates leadership within the board (Chait et al., *Improving the Performance of Governing Boards*, 1996, p. 7)

Trustee Development	Notes/Thoughts
<p>Governors need time and supports to grow into their role.</p> <ol style="list-style-type: none">1. How could a board nurture the development of its members?2. Reflecting on your past board experience, what have been the most effective ways you have observed for integrating a new board member? What were the least effective ways you have experienced?3. What happens if the board neglects to support board members in their development?	
Inclusiveness between Governors	Notes/Thoughts
<p>Some boards strive to create a sense of inclusiveness, so that each board member has a sense of belonging and so that the board works well as a team.</p> <ol style="list-style-type: none">1. What does a sense of inclusiveness feel like to a board member – how would you know you were included?2. Is inclusiveness important to a board? Please explain.	



Goal Development	Notes/Thoughts
<p>Effective boards have goals for guiding their work.</p> <ol style="list-style-type: none"> 1. A board can have goals for itself that differ from the goals of the operational side of the organization. Does a board need to have its own goals? Please explain. 2. What sorts of goals could a board address? 3. How does a board monitor performance against the goals it sets? 	
Identifies and Cultivates Leadership	Notes/Thoughts
<p>An effective board identifies and supports the development of leaders on the board. Particular individuals might be identified as future Chairpeople, and the whole board can prepare itself for leadership activity in the wider community.</p> <ol style="list-style-type: none"> 1. How might a board develop new leaders as Chairpeople? 2. How might the board prepare itself for leadership in the community? 3. How does a board decide what kind of leadership it wants to cultivate? 	
Recognizing Group Achievement	Notes/Thoughts
<ol style="list-style-type: none"> 1. From your experience, what could a board do to recognize group achievement? List some examples. 	



Reflection on Governance	Notes/Thoughts
<p><i>Think about the interpersonal dimension of governance.</i></p> <p>What would you tell someone who has never been on a board about being a governor?</p>	
Reflection on this meeting	Notes/Thoughts
<p>Thinking about the discussions you have had around the topics on this worksheet, what is one thing that you have learned that you did not know before today?</p>	

Other thoughts:



Governor's Name: _____

Date: _____

Analytical Dimension of Governance

The contextual dimension of governance is the way in which the board understands and takes into account the culture and norms of the organization it governs. Specifically, the board:

- Approaches matters from a broad organizational outlook
- Dissects and examines all aspects of multifaceted issues
- Raises doubts, explores tradeoffs, and encourages the expression of differences of opinion (Chait et al., 1996, *Improving the Performance of Governing Boards*, p. 7)

Organizational Outlook	Notes/Thoughts
<p>Analysis by the board occurs at a “big picture level” with a wide field of view.</p> <ol style="list-style-type: none">1. Why is it important for a governance board to have a big picture perspective on matters before it? 2. Do you agree or disagree with the following statement: Governors on boards of directors need to be “big picture” thinkers. Please explain. 3. How do governors know when their perspective is too narrow or too broad?	



Analyzing Issues	Notes/Thoughts
<p>An effective board of governors has the ability to dissect complicated issues and to analyze the various dimensions of those issues.</p> <ol style="list-style-type: none"> 1. How does an individual governor or the board as a whole know if it has this analytical ability? 2. Access to information on issues is essential if the board is to analyze an issue. By what means/processes do governors gather information? How might they categorize it? How do they conduct analysis of the information? 3. What responsibility does a governor have in the analysis of issues facing the board? 	
Problem Solving	Notes/Thoughts
<p>The purpose of analysis is to find solutions or approaches to issues facing the board.</p> <ol style="list-style-type: none"> 1. Ambiguity is something that governors have to work with as a part of finding solutions. Some people tolerate or thrive on ambiguity, others do not. What would a board do to be capable of addressing ambiguous situations? 2. Is it important for the board to reflect on how decisions are made? Explain. 	
Governance and the Governor	Notes/Thoughts
<ol style="list-style-type: none"> 1. As a governor, how do you anticipate or solve complicated or ambiguous issues with your fellow governors? 2. What analytical approaches/processes have you found most helpful as a governor? 	



Reflection on Governance	Notes/Thoughts
<p><i>Think about the analytical dimension of governance.</i></p> <p>What would you tell someone who has never been on a board about being a governor?</p>	
Reflection on this meeting	Notes/Thoughts
<p>Thinking about the discussions you have had around the topics on this worksheet, what is one thing that you have learned that you did not know before today?</p>	

Other thoughts:



Governor's Name: _____

Date: _____

Political Dimension of Governance

The board accepts as a primary responsibility the need to develop and maintain healthy relationships among major stakeholders and constituencies. The board:

- Respects the integrity of the governance process and the legitimate roles and responsibilities of other stakeholders
- Consults often and communicates directly with key constituencies
- Attempts to minimize conflict and win/lose situations (Chait et al., *Improving the Performance of Governing Boards*, 1996, p. 8)

Respecting integrity of the governance process	Notes/Thoughts
<p>1. To respect the integrity of the governance process, the board first must know what its governance process is. How does a board help its members and outsiders understand what its governance process is?</p> <p>2. What steps are needed to build respect for a governance process?</p> <p>3. Please indicate if the following two aspects are related or different:</p> <ul style="list-style-type: none">• Respecting “governance”• Respecting the “governance process” <p>Explain why you chose the answer you did.</p>	
Respecting the legitimate roles and responsibilities of other stakeholders	Notes/Thoughts
<p>1. How would a board identify legitimate roles and responsibilities for other stakeholders in the governance process of an organization?</p> <p>2. How would the board show its respect to those stakeholders?</p> <p>3. How would those stakeholders know that they had roles and responsibilities in the governance process? How would they know they were respected?</p>	



<p>Respecting the legitimate roles and responsibilities of other stakeholders</p>	<p>Notes/Thoughts</p>
<ol style="list-style-type: none"> 1. How would a board identify legitimate roles and responsibilities for other stakeholders in the governance process of an organization? 2. How would the board show its respect to those stakeholders? 3. How would those stakeholders know that they had roles and responsibilities in the governance process? How would they know they were respected? 	
<p>Consulting and communicating with key constituencies</p>	<p>Notes/Thoughts</p>
<p>Working with stakeholders is part of the political dimension of governance. Yet, very few boards actually work directly with these groups, leaving that to the executive director or other managers.</p> <ol style="list-style-type: none"> 1. What do you understand by the phrase, “consulting and communicating with key constituencies”? Is it about building relationships, or achieving goals, or some other matter? Please explain. 2. How does a board consult and communicate with constituencies from a governance perspective? 	
<p>Minimizing conflict and win/lose situations</p>	<p>Notes/Thoughts</p>
<ol style="list-style-type: none"> 1. What kinds of indicators would governors look for to anticipate and address conflict? 2. What are the ways that boards go about minimizing conflict? How could a board diminish the development of “win/lose” situations, in which some members get what they want and others end up losing? 3. Do you agree or disagree with the following statement: The board and not the executive director should pay attention to conflict or win/lose situations. Please explain. 	



Working at the boundary	Notes/Thoughts
<p>An effective board is prepared to address situations that occur outside the organization proper, especially those that have an impact on the organization’s operations. The board recognizes that there is a boundary of sorts between the organization and the community in which it operates.</p> <ol style="list-style-type: none"> 1. How do governors know where the boundary between their organization and the world is? 2. What kind of boundary is most effective in a governance situation: a “soft” (permeable) one? A semi-permeable one? Or a “hard” or impermeable one? 3. What competencies do governors need to work at the boundary? 	
Reflection on Governance	Notes/Thoughts
<p><i>Think about the political dimension of governance.</i></p> <p>What would you tell someone who has never been on a board about being a governor?</p>	
Reflection on this meeting	Notes/Thoughts
<p>Thinking about the discussions you have had around the topics on this worksheet, what is one thing that you have learned that you did not know before today?</p>	

Other thoughts:



Governor's Name: _____

Date: _____

Strategic Dimension of Governance

The board helps the organization envision a direction and shape a strategy. The board:

- Cultivates and concentrates on processes that sharpen institutional priorities
- Organizes itself and conducts its business in light of the institution's strategic priorities
- Anticipates potential problems and acts before issues become crises
- Anticipates potential problems and acts before matters become urgent (Chait et al., Improving the Performance of Governing Boardst, 1996, p. 8)

The board needs to envision a direction and shape a strategy	Notes/Thoughts
<p>1. What capacities does a board need in order to envision a direction for the organization? What competencies does it need to shape strategy?</p> <p>2. Is this unique to a governance board OR can a "working board" do this as well?</p>	
Cultivates and concentrates on processes that sharpen organizational priorities	Notes/Thoughts
<p>Effective organizations are clear about their priorities.</p> <p>1. How does a board cultivate processes to focus organizational priorities?</p> <p>2. What kinds of processes – unique to the board – would be needed to focus the organization on its priorities?</p> <p>3. What role does an individual governor have in sharpening priorities?</p> <p>4. Demands for financial accountability tend to dominate board work. How would a board ensure that it also concentrated on processes addressing other priorities?</p>	



Organizes itself and conducts its business in light of the institution's strategic priorities	Notes/Thoughts
<ol style="list-style-type: none">1. By what means would a board ensure that sufficient time and attention is given to strategic priorities, given the limited time boards meet and the emphasis on financial matters?2. Do you agree or disagree with the following statement: The traditional board meeting format (set agenda, reports, etc.) is designed to conduct business on strategic priorities. Please explain.3. In what ways could a board reinforce a strategic focus?	
Anticipation	Notes/Thoughts
<p>The board should anticipate potential problems and act before things become critical.</p> <ol style="list-style-type: none">1. Thinking forward is needed to anticipate and prevent problems. What could a governance board do to prepare for and prevent problems?	



Reflection on Governance	Notes/Thoughts
<p><i>Think about the strategic dimension of governance.</i></p> <p>What would you tell someone who has never been on a board about being a governor?</p>	
Reflection on this meeting	Notes/Thoughts
<p>Thinking about the discussions you have had around the topics on this worksheet, what is one thing that you have learned that you did not know before today?</p>	

Other thoughts:



GLOSSARY

Accountability – an organization’s responsibility for maintaining public trust through its management of people, stewardship of funds, and leadership in the community; accepting the responsibility for outcomes, including problems created or not corrected.

Capacity building – increasing individual and collective abilities in critical thinking and collaboration so that the organization fulfills the expectations of stakeholders.

Constituencies – parties served by the organization, including clients and other groups with an interest (funders, donors, government agencies, and staff).

Fiduciary – formally it refers to holding something in trust; pertaining to or of the nature of a trusteeship (Oxford English Dictionary - OED). Less formally it refers to the board’s responsibility for assuring that the association is fiscally sound and operated within procedures and policies that are sound, prudent and ethical.

Governance - the manner in which something is governed or regulated; method of management, a system of regulations. It also means, the office, function, or power of governing; the authority or permission to govern. Another definition of governance is the conduct of life or business; a mode of living, behaviour, or demeanour (OED).

Governance board – a nonprofit (or other) board which has adopted a governance model for the board’s operation. The directors of governance boards are not responsible for day-to-day operations of the organization, which is the responsibility of the Executive Director and staff; sometimes referred to as a policy governance board.

Governance competencies – those skills and ways of perceiving and approaching situations which are essential for a governance board to function optimally.

Governance volunteer – a governor, director, trustee or member of a governance board.

Ground rules – principles which guide the way a group of people choose to interact; also referred to as terms of engagement.

Peer learning circle – experiential and participatory learning methodology which encourages a process of individual reflection, and group discussion and discovery.

Stakeholders – those parties with an interest in the organization’s operations and mandate; may refer to funders, donors, government agencies, beneficiaries, staff and the general public.

Stewardship – the board’s oversight of organizational governance.

Working board – nonprofit board which has not adopted a governance model and in which board members often carry out various tasks associated with the day-to-day operations of the organization.



APPENDIX: SAMPLE GROUND RULES FOR A PEER LEARNING CIRCLE (PLC)

1. The PLC process works best when you step out of your own area of expertise and contribute as a board member.
2. Make your contribution with the big picture for your organization in mind. You may have firmly held convictions. The purpose of this group is to discover what you can learn from each other's convictions and experiences to enrich your work together on behalf of the organization.
3. This is a process of reflection, discussion and discovery we're about to hold. No one can "win" during this process. Your purpose in the peer learning circle is to listen to and appreciate each other's experiences, and to find common ground through understanding and learning from one another.
4. Speak for yourself, not as a representative of your company or some other interest.
5. We're all equals here. Leave your title at the door.
6. Be open and listen to others – especially when you disagree.
7. Look for common ground and shared experiences.
8. Express disagreements with ideas, not with personalities or motives. Put another way, disagree without being disagreeable.
9. Respect and record all points of view without attributing particular viewpoints to specific individuals.
10. During the sharing, you may hear information which would otherwise be confidential or personal. If board members suspect their confidences in the peer learning circle may be shared with outsiders after the meeting, no one will want to share frankly.
Remember, what gets said in the room, stays in the room.



NOTES

¹This booklet builds on a research project funded through a Community Support Centre Grant from Volunteer Canada. The research was conducted by the Institute for Nonprofit Studies at Mount Royal College, in Calgary, Alberta.

²Angelini, Anita, *Building the Capacity of Governance Volunteers: Giving Meaning to Governance*. Draft document, Fall 2005, p. 6-7.

³Angelini, A. op.cit. p. 4.

⁴For examples of the call for accountability, c.f. The Broadbent Report (Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector) and other reports that are part of the Voluntary Sector Initiative. For more information, visit http://www.vsr-trsb.net/pagvs/Building_on_Strength.htm

⁵The Broadbent Report, op. cit. p. 12.

⁶Angelini, A., op.cit. p. 20.

⁷Ibid, p. 16.

⁸Chait, R., Holland, T., and Taylor, B. *Improving the Performance of Governing Boards*, 1996.

⁹Suda, L. Learning circles: Democratic pools of knowledge. *ARIS Resources Bulletin* 12(2), 1-4. Cited in Seel, Keith and Angelini, Anita. Strengthening the Capacity of Executive Directors – One Year Later. ARNOVA 2005, Washington, D.C., p. 12.

¹⁰Seel, Keith and Angelini, Anita, op.cit. p. 9-10.

¹¹Wade, S. & Hammick, M. (1999). Action learning circles. *Teaching in higher education*, 4(2), 163-178.

¹²Dixon, John and Dogan, Rhys. Corporate decision making: contending perspectives and their governance implications, *Corporate Governance*, Vol. 3, No. 1, 2003, p. 39-57.

¹³Chait, R., et al., op. cit. p. 1.

¹⁴Ibid, p. 8.



BISSETT SCHOOL OF BUSINESS

The Bissett School of Business at Mount Royal offers relevant and responsive education that prepares students for a range of business careers in today's global economy. The Bissett School of Business is renowned for innovative curriculum, award-winning programs and the employability of our graduates.

The Bissett School of Business has 1,700 full-time students enrolled in applied degrees, diplomas, and university transfer or certificate programs. At the Bissett School of Business, students benefit from work experience through Co-operative Education and Directed Field Studies placement, small class sizes that enable personalized instruction, faculty with relevant industry experience, opportunities to compete in university business competitions across Canada and partnerships with numerous professional associations.

For more information, please visit: www.business.mtroyal.ca

INSTITUTE FOR NONPROFIT STUDIES

Recognizing the growth and increasing importance of the nonprofit sector in the Canadian economy and society as a whole, Mount Royal College launched Canada's first Institute for Nonprofit Studies, combining education and research to meet the needs of nonprofit organizations. The Institute helps define nonprofit sector studies and management practices across the country and helps reinforce the importance of developing and sharing information and professional practices within the sector. The Institute also contributes to the profession's knowledge base by encouraging and undertaking applied research in areas such as governance sustainability and policy development to assist philanthropic and nonprofit initiatives. One of the Institute's first achievements was the creation of the Bachelor of Applied Nonprofit Studies, Canada's first baccalaureate in this area of study.


With a multi-million dollar endowment the Institute is pursuing an active research agenda that will strengthen Canada's nonprofit sector.

For more information, please visit: www.mtroyal.ca/nonprofit

BACHELOR OF APPLIED NONPROFIT STUDIES

Are you looking to make a difference in the world? The nonprofit sector is one of the fastest growing sectors of the Canadian economy, with more than 175,000 organizations in Canada alone. These organizations provide services in health care, the arts, culture, recreation, human services, sports, education, environment and international development. Our Bachelor of Applied Nonprofit Studies is Canada's first undergraduate program focusing on the nonprofit, charitable and voluntary sectors.

Nonprofit studies address a broad range of issues, including public policy, service delivery, business, economics, volunteerism, social change and community development. Our four-year applied degree program combines six semesters of classroom study with two semesters of paid work experience to provide you with the skills you need to become a successful leader in the not-for profit sector.



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