Common Ground Initiative **Peer Learning Programme**
Governance Workshop Report
19th July 2011

1. Welcome and Opening Session

'I am here to give a structure to the day and 'stir the pot' – but 'the pot' is made up of your rich experiences – so today is really about 'peer learning': you learning from one another' (Brenda Lipson, facilitators)

The workshop started with participants introducing themselves, sharing some current governance situations facing their own organisations, and their hopes and expectations for the day (see right).

Workshop participants included both staff and Board members of small and diaspora organisations. The objectives of the workshop were to:
- Explore governance issues in small and diaspora organisations
- Learn from each other's practice in engaging well with Boards
- Share tips and good practice for effective governance
- Increase participants' competencies to understand and manage their own organisations' governance

> **'I want to learn about…'**
>
> - Communicating effectively with our Board
> - Helping our Board work as a team
> - How to recruit 'new blood' and professionalise the Board
> - Supporting partners' governance
> - The dynamics between different people in a governance system

2. The Why and What of Governance
Brenda Lipson, INTRAC Association

Brenda introduced the theme of the day by saying that governance can be a source of great pain and great joy – when its working well it can give an organisation energy and vision, but often is painful when not working well. She emphasised any of the more difficult experiences shared during the day would remain confidential.

The day was framed by four areas of key questions about governance:

- **Understanding Governance (role and values)** – What do we mean by governance? How do we build a shared understanding in our organisations about governance? How does governance relate to organisational values?
- **Key References** – What are out there as the key references in the sector regarding legal obligations, guiding principles, and standards. How aware are our organisations of these references, and how are we relating to them?
- **Managing the Board** – How do we ensure that our organisations have healthy Boards? Who has the oversight over maintain a healthy Board?
- **The Relational Dynamics** - How do we deal with the human dimension of governance? How can we ensure we have good working interpersonal relationships?

A. A Shared Understanding of Governance
Brenda outlined that our organisations should have a shared understanding on:
- What the term 'governance' implies

- Clarity on the role and responsibilities of the Board and the Executive
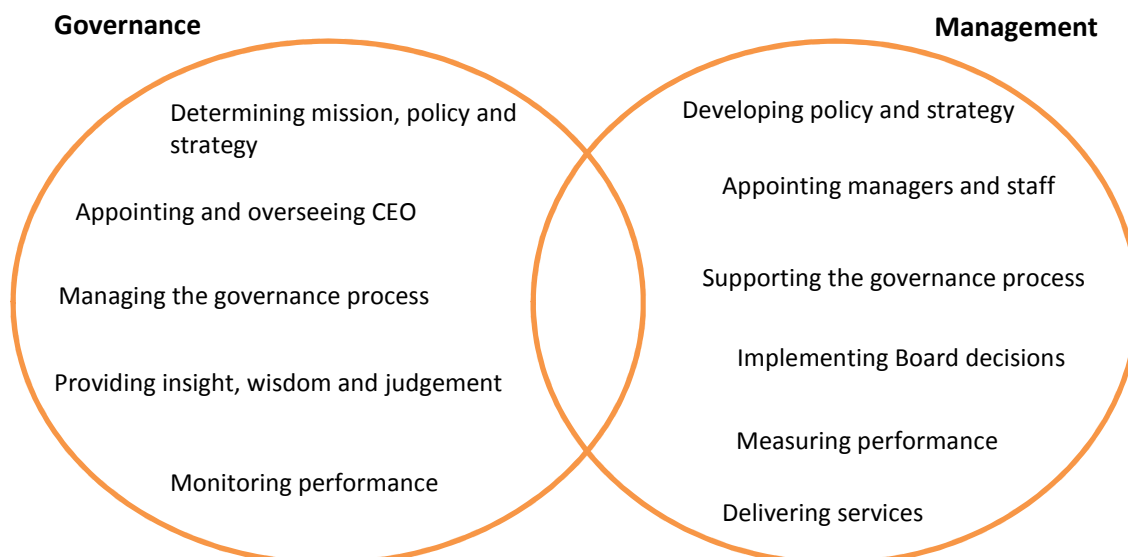- On the role of governance in safeguarding and promoting values

The group discussed an NCVO definition of governance, and whether this matched their understanding of governance:

> 'Governance is about leadership and ensuring that an organisation is effectively and properly run. Good governance is the board's responsibility… covers more than the board's duties and responsibilities. Includes how the board is appointed and supported; how it works to ensure decisions are taken properly and the work of the charity is effective and furthering its purposes…'
>
> (NCVO)

This was felt to cover the group's understanding of governance, though it was 'an ideal'. Participants discussed areas that could be highlighted further: financial responsibilities, the board understanding the whole system, and the board's central purpose to safeguard and promote the organisation's identity – beyond their concerns with the 'how' of the work - and the board's role as holding the executive to account from the perspective of the beneficiaries.

Brenda then briefly covered the formal responsibilities of the Board, referring participants to further information from sources such as the Charity Commission and NCVO's Good Trustee Guide, which detail the Board's responsibilities in: a duty of care, duty of prudence, compliance, and ultimate responsibility for ensuring the charity is solvent, well-run and delivering its goals.

She then went on to focus on the more challenging area of where the boundaries are between Board and the executive roles. Often there is a lack of clarity and an overlap in the roles of the Board and executive in relation to policy, people management, governance oversight, decision making and monitoring performance. The diagram below illustrates the closely related, but separate roles, of governance and management – and the fact that they often overlap.

Governance   **Management**

Determining mission, policy and strategy

Appointing and overseeing CEO

Managing the governance process

Providing insight, wisdom and judgement

Monitoring performance

Developing policy and strategy

Appointing managers and staff

Supporting the governance process

Implementing Board decisions

Measuring performance

Delivering services

Brenda suggested there is not a clear-cut 'right answer, but that we should reflect on what are appropriate roles for each set of actors – and that organisations should have regular dialogue to clarify where different actors might be too involved where it is not their role, or not involved enough.

Most crucially, Brenda asked – How far does the Board talk about values? Do they think about the 'fit between decision taken and the values of the organisation? She argued that trustees have a responsibility to ensure that decisions are made in line with values – even 'practical' decisions on funding. This approach can help unlock difficult decisions. We should ensure that Boards practice this core part of their role.

B. Sector References
Brenda then briefly went through three key references on governance for the sector:
- The Charity Commission – regulator, advisor, legal complexities
- The Code of Good Governance – best practice around six principles
- National Occupational Standards for Trustees – these focus on individual competencies and are particularly useful for Board training and development.
- Links to these resources can also be found at: www.cgi-africa.org/resources

How far are your organisations aware of these references? How relevant are they for you? And who is responsible for keeping an eye on being up-to-date on good practice?

C. Board Management
In relation to managing Board, Brenda outlined the need for a Board to provide an organisation with a diverse 'menu' of skills, experience and perspectives. She asked – who has the responsibility for checking that this diversity is fostered and maintained? This links in to the practical issues of recruitment and induction, Trustee development and procedures for learning and reflection around governance. The 'who?' and 'how?' questions were explored further in group discussions during the day.

D. The Relational Dynamics
Ultimately individuals make up the Board. We need to pay attention to dynamics within the Board itself, between the Board and the executive, and between the Board and the staff. To address governance issues, our organisations may need to reflect on these relationships. Brenda raised questions such as – could codes of conduct be put into place to manage some of these dynamics? What kind of chairing is needed to manage difficult dynamics? The group went on to discuss many of these issues later in the workshop.

Buzz Groups
Participants got into small groups of three to discuss the overview presentation and which parts of it had been most relevant to their organisations – and where they would have liked to hear more. The points that emerged from this are summarised below.

> **Buzz Groups: The most relevant governance issues for us, as small and diaspora organisations**
>
> **Values**
> - Values as the core to an effective Board, as the 'glue' that bind together
> - Role of chair as 'defender of the vision'
> - How do we move forward from individual vision of founder to a shared understanding of 'our values' as our organisations grow?
> - Avoiding 'survival mode' governance dominated more by available resources than values
>
> **Managing and Developing the Board**
> - Recruiting trustees – getting committed trustees while recognising they are volunteers
> - Dealing with 'detached' boards – whether detached from CEOs, staff , or unmotivated
> - 'Professionalising' the board, with: ongoing development, clarification of their roles and responsibilities, and good reporting structures, procedures and communication.
> - Board involvement in OD and organisational growth
>
> **The Human Dynamics**
> - Managing strong personalities and building a team
> - Ensuring governance team is 'self-critical' – reflecting on and reviewing practice
> - Communications between staff and trustees – particularly internationally
>
> **Supporting Partners' Governance**
> - How can we think through, communicate and support governance roles and function to partners?

3. Group discussions: Governance dilemmas
Peer Learning Programme members

Three common governance scenarios were presented:
- **An 'operational' Board** – a Board that is active, but its first tendency is to be involved in the details rather than taking strategic oversight
- **Board inactivity or 'weak engagement'** – a Board that is not engaged
- **Challenges in the Board/executive relationship** – where there are particular challenges around working relationships

Participants then broke into self-selected groups to discuss:
- Their experiences of these scenarios
- Triggers or underlying causes
- Solutions (potential or experienced)

1. An 'Operational' Board	**2. A Disengaged Board**
Triggers	**Underlying causes**
1. Lack of resources, staff and funding – Trustees serving both as Board members and volunteer experts	1. Lack of understanding – differing expectations; unclear about role
2. History – former Board become staff and vice versa	2. Lack of commitment – too busy; not connected with staff; not connected with work in field; not the 'will'
3. Board lacks capacity and skills for taking strategic leadership	**Solutions**
4. Lack of procedures	1. Clarify roles with job descriptions?
5. Lack of external evaluation	2. Rotation and recruitment
6. Board want to manage risk	a. State time commitment needed
	b. Do interviews
Solutions	c. Appraisal / competencies process
1. Board development	d. Induction
2. Staff development	3. Field visits (pay themselves?)
3. External evaluation	4. Regular communication and updates
4. Policies and procedures in place	5. Time together beyond board meetings
5. Consultative strategic planning	6. Chair has key role to motivate others
6. Operational leadership	7. Bring values into board discussions (connect with what motivates them)

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3. Challenges in the Board/Executive Relationship

Triggers

- Lack of transparency and clarity in roles and responsibilities
- Board refreshment issues difficult to raise
- Long serving members on the board – need to revisit the constitution and revise the terms if necessary
- Founder's syndrome
- Tensions can arise when the CEO expects decisions to be made now and Board is slow
- Who deals with change management? Especially if the CEO is overworked or lacks capacity? Can strain relationships with the Chair
- Difference in perception of Trustees' role – CEO want them to be aware and committed to serious responsibilities; Trustees might see themselves as volunteers

Solutions

- Trustees should appoint other trustees – professionalising the process
- Need terms of reference and appraisals for the CEO
- Board meetings should have Board-only time
- Need for a board development programme – as training issues are difficult to raise
- Having robust systems in place can help to ensure that relationships are managed well

4. Demonstration of PLP website

Ruth Judge, INTRAC

Ruth demonstrated the newly launched PLP website, www.cgi-africa.org. Its features include:
• 'Our Members' showcasing PLP member organisations and linking to their sites
• 'Resources' with useful links and documents, organised in the seven OD areas of the Common Ground Initiative
• 'Forum' where online discussions can continue, deepen, and add to face-to-face learning discussions that go on in other parts of the programme
• 'News' providing the latest updates about PLP activities and events.

Ruth showed demonstrated how to register, log in, and post on the discussion forum.

5. Case Study: 'Towards Robust and Dynamic Governance'
Brenda Lipson, INTRAC Association

Brenda presented a case study which touched on many of the issues of the day. The case study came from outside the PLP Group.

The organisation was a small UK-based NGO working in HIV/AIDS awareness and prevention. It was facing a great deal of change an uncertainty about identity, future and solvency – a new CEO had recently arrived, they were facing funding challenges, reducing staff, and were under pressure to consider a merger.

The organisation was facing governance issues, such as:
• Trustees were not engaged in strategy, and were more comfortable working in operations and details, and 'rubber-stamping' rather than directing.
• There was internal conflict and undermining of the Chair
• There was an insufficient range of competencies and perspectives on the Board, and reliance on the 'old guard'
• The CEO needed more effective support
• Some lack of clarity on the boundaries between their and Trustees' roles

In response to this, several actions were taken. The CEO actively engaged in cooption of new members for the Board, purposefully invested in her relationship with the Chair, and finally, seeking external support for herself and the Board.

The external support to the Board involved designing a two day-long workshops. The overall aim was *'to strengthen the capacity of the Board of Trustees to provide strategic direction in a context of change and uncertainty'.* The first day focussed on building trustees understanding in relation to strategic direction; and the second day on building the capacity of the governance team to effectively fulfil its role with good working relationships. This included a Board Self-Evaluation Exercise (available at www.cgi-africa.org/resources).

Changes resulted, including: a richer 'menu' of Trustees (new Trustees recruited and coopted), improved communications, and an increased awareness of the importance of investing in Board reflection and functioning. The commitment of the CEO, and the external pressures ensuring Board 'buy-in', were key to the intervention working, despite early conversations being challenging. There was no 'one key solution', but a sequence of events and range of actions that led to improved governance.

6. Group discussions: Concrete steps forward

The workshop participants split into self-selected groups formed around some of the 'most relevant' governance issues identified in the morning, to discuss practical action points to take forward.

Role of Chair

1. Chair should hold CEO to account
2. Chair should not micromanage CEO
3. Chair leads appraisal of CEO (with another trustee preferably)
4. Mutual respect between Chair and CEO
5. Need for a lot of communication and quality time with CEO to create a strong partnership
6. Need for constant monitoring of communications
7. Chair must maintain cohesion of Board
8. Chair should ensure space at Board meeting for trustees-only time
9. Chair may have coaching role
10. Chair is principal ambassador and a public face of the organisation
11. Monitor how decisions are made and that they are being made in most effective manner
12. Its not a hobby! Chair should be professional.

Board Performance

1. There should be a succession planning policy as organisations grows and professionalises
2. Annual strategic review to ensure due diligence
3. Benchmarking with other Boards: observation and best practice
4. Set objectives for each trustee beginning each year
5. Develop strategic planning around risk mitigation
6. Trustees should attend relevant conferences
7. Comprehensive induction pack
8. Skills audit for each member, which should be reviewed annually
9. Board Key Performance Indicators linked to 3-5 year strategic plan, monitored quarterly
10. Annual away day for Board / Board and staff?

Good Communication

1. Choose the right time
2. Choose the right medium
3. Sensitise Board to new ideas
4. How do you involve Board and encourage them to read documents?
5. Pre-Board meeting between CEO and Chair
6. Regular meetings with treasurer trustee
7. Monthly highlights bullet updates
8. Sub-committees on: fundraising, finances, recruitment?

Supporting Partners' Governance

1. Emergency visits when crisis hits - parachute in to give bad news (i.e. and take the blame)
2. South-South introductions – share models an link them with others in area
3. CEO-CEO co-mentoring
4. Partner Board/CEO could visit the UK, and personal visits from UK to partners
5. Run workshop on governance during visits
6. Run a joint workshop on future strategy
7. Information sharing e.g. share minutes of Board meetings both ways
8. Foster independence and empowering decision making in partners
9. Explain/discuss role of Board and support stronger engagement of Board on ongoing basis
10. Help partners formulate procedures and policies
11. Give money! e.g. Fund change management consultants to work with partners
12. Explain governance role for donor accountability, but give partners support to avoid donor-driven governance by impossible funders
13. Reciprocal Board membership / have a shared Board member

Recruitment, Induction and Renewals

1. Conflicts of interest need to be declared and managed
2. Advertise clearly (BOND, Trusteenet, NCVO, Charity Job)…
3. … and/or potential Trustees should send CV and letter of interest to Chair, expressing what they bring
4. Time commitment and obligations of Trustees should be clearly specified in the job description
5. Conduct proper interviews of Board members
6. Regular skills audit to identify skills gaps on the Board
7. Look at cooption if Board membership is extremely low
8. It can be tough to professionalise and bring in 'new blood – but sometimes 'founding trustees' will respond if the need for change spoken about in terms of funding/ external pressures
9. Away day soon after new Board member is appointed?
10. A 'getting to know you' phase before a new Board member is appointed?
11. Within small organisations, induction should include a day with each member of the team, learning about what they do. Induction should inform trustees about work across different areas, not just their 'speciality' (e.g. fundraising, programmes, finance)

Thank you to everyone who attended and participated in the workshop!

INTRAC
International NGO Training and Research Centre

COMMON GROUND INITIATIVE

COMIC RELIEF   UKaid
Managed by Comic Relief and co-funded by UKaid
from the Department for International Development