

Current Governance and Board Trends

Presenter: Carol E. Scott

Desired Outcomes:



- ❧ Review Board Basics
- ❧ Increase knowledge of the roles and responsibilities of “best practice” Boards
- ❧ Bringing Governance as Leadership Alive
- ❧ Review the Core Concepts of the Fiduciary, Strategic and Generative Modes

Nonprofit Basics



“Forever Knowledge”



As a Body a board has considerable powers and plays a substantial part in any corporate activity. Including appointing and removing corporate agents, executives or officers.

The law conceives of a board of directors as one entity...

same rights...

same duties...

accountable to the same
consistency.

Board Leadership Requires:



Above all that the board provide vision. To do so, the board must first have adequate vision of its own job. That role is best conceived neither as volunteer-helper nor as watchdog but as trustee-owner.

Board Members are trustees for the ownership



- Clearly make certain that the Museum achieves what the mission states
- Defines the governance and have the discipline to follow the established process
- and always have...**Bifocal Vision**

Ten Basic Responsibilities

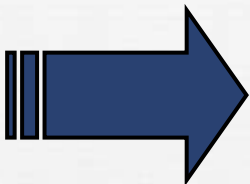
- 1 Determine the Organization's Mission and Purposes
- 2 Select the Chief Executive
- 3 Support the Chief Executive and assess performance
- 4 Ensure effective organization planning
- 5 Ensure adequate resources
- 6 Manage resources effectively
- 7 Determine, monitor and strengthen the programs and services
- 8 Enhance the organization's public standing
- 9 Ensure legal and ethical integrity and maintain accountability
- 10 Recruit and orient new Board Members and assess Board performanceBoardsource

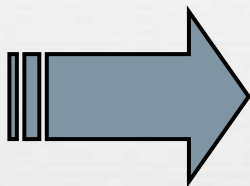
The Purpose of the Board

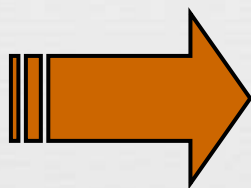
Four Main Reasons they are required:

- ∞ Legal and fiduciary
- ∞ Oversight
- ∞ Fund-raising
- ∞ Select and Support the CEO and assess performance

A General Direction...

Good  **Great**

Success  **Significance**

Stewardship  **Exceptional
Leadership**

Board member Responsibilities



- I. Ensuring the future
- II. Promoting the Museum and its mission
- III. Assuring effective Museum operations
- IV. Assuring effective Museum Governance

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What is Governance?



☞ To govern is to steer, to control, and to influence from a position of authority.

☞ BoardSource

- ☞ Protect and advance the organization by:
 - ☞ Setting strategic direction for the long term
 - ☞ Ensure the organization is ethical and prudent
 - ☞ Monitoring and evaluating to keep on course

The Governance Triangle



Fiduciary

Strategic



Generative

Modes of Governance

- I. *Fiduciary* – Stewardship of tangible assets. Oversee operations: deploy resources wisely: legal and financial integrity; monitor results
- II. *Strategic* – Partner with staff to scan internal & external environments; design & modify strategic plans; strengthen comparative advantage
- III. *Generative* – Source of leadership to discern, frame, and confront challenges rooted in values, traditions, and beliefs; engaged in sense-making, meaning-making and problem framing

IV. Assuring Museum Governance

Through Board Affairs....

- ☞ Respecting board confidentially
- ☞ Being transparent as possible about Board process
- ☞ Speaking with “one voice” when decisions are made
- ☞ Maintain regular dialogue with the Board and staff on vision and direction
- ☞ Modeling good leadership
- ☞ Maintain current bylaws, policies and procedures
- ☞ Monitoring and evaluating Board performance
- ☞ Committing to a thorough commitment to Museum oversight

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The Source:¹²

Twelve Principles of Governance that Power Exceptional Boards



How Were the Principles Developed?

- BoardSource convened 9 governance experts
- Together explored characteristics of exceptional boards
- Reviewed by 27 distinguished nonprofit leaders
- Relevant to all nonprofits

WHAT'S CHANGED? *EVERYTHING*

1. PHILANTHROPY
2. GOVERNANCE
3. THE GENERATIONS
4. COMMUNITY ISSUES
5. TECHNOLOGY
6. GIVING PATTERNS
7. FUND DEVELOPMENT
8. ORGANIZATION DEVELOPMENT
9. NONPROFIT MANAGEMENT
10. CHILDREN'S MUSEUMS
- 11.????

Leading Change & Organizational Renewal

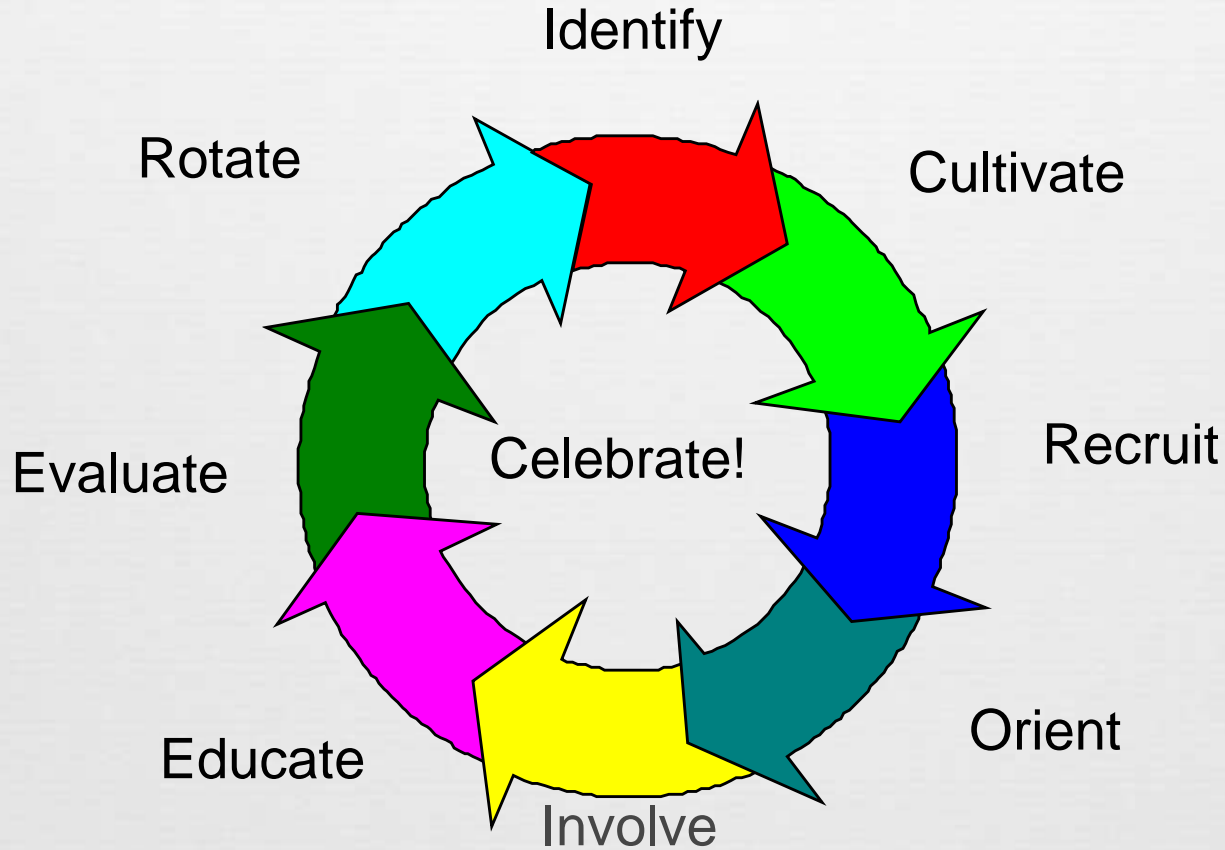
“Leaders must create an environment that embraces change and transformation not as threats but as **OPPORTUNITIES.**”

-- Warren Bennis

12 Principles That Power Exceptional Trustees

1. Constructive Partnership
2. Mission Driven
3. Strategic Thinking
4. Culture of Inquiry
5. Independent-Mindedness
6. Ethos of Transparency
7. Compliance with Integrity
8. Sustaining Resources
9. Results-Oriented
10. Intentional practices
11. Continuous Learning
12. Revitalization

The Board Building Cycle



“Exceptional boards energize themselves through planned turnover, thoughtful recruitment, and inclusiveness. They see the correlations among mission, strategy, and board composition; and they understand the importance of fresh perspectives and the risks of closed groups. They revitalize themselves through diversity of experience and through continuous recruitment.”

-- BoardSource

The Handbook of Nonprofit Governance (p. 25)

The Board and Staff

Based on studies and conversations with leaders of nonprofit organizations, here are the qualities most often cited for effective members of a leadership team.

❧ Open



❧ Fair

❧ Honest

❧ Caring

❧ Responsible

❧ Modest

❧ Reliable

❧ Emotionally mature

❧ Positive

Patrick Lencioni, in *The Five Dysfunctions of a Team* (2002), arranges these five qualities this way.



Great Vision comes....



from passion and incorporates the values & beliefs you hold dear and reflects the contributions you want to make.

Great Vision requires....



and forces you to discover common meaning and planning - both individually and institutionally.

Final Thoughts

- ∞ Be fearless
- ∞ Listen to the “small voice” telling you to speak up
- ∞ Keep in mind that it’s ok to change your answer and keep an open mind
- ∞ Remember that the mark of member is having the courage to ask tough questions, not boasting that you have all the answers
- ∞ Remember your duty to advance the mission of the organization; measure your decisions and actions by their impact on mission fulfillment

The Museum Must:

- ❧ Be seen as the best at something that is deemed critically important to the wellbeing of the people it serves
- ❧ Be seen as a Leading Organization
- ❧ Play a vital role in the community's future
- ❧ Be able to demonstrate your impact measuring activity, results and impact