Adaptive Governance Now More than Ever

THIRD SECTOR
New England

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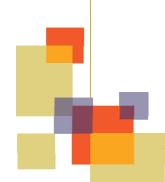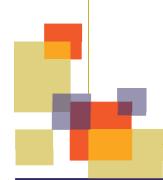Third Sector New England

Today's Learnings

- What are the board's critical roles?

- How does the board grow and change as the organization develops?

- Overview of an adaptive board of directors – tools for developing
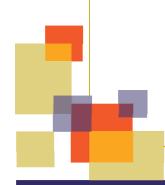
The Who: Constellation not Stars

- Acts of leadership depend on multiple capacities of many individuals

- Charismatics, founders, heroic and authoritarian leaders do not necessarily make good board members – self-awareness, listening and facilitation skills are important

- Board recruitment should focus on emotionally mature people who care about the mission and will learn and build the organization's way – not "my way."
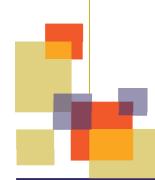
The Board's Critical Roles

- Define and uphold the mission
- Ensure financial viability (fiduciary responsibility)
- Maintain accountability to constituents, staff, funders and public
- Ensure a healthy management function
- Ensure continuity of the board
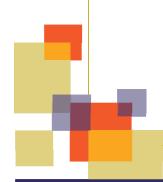- Engage transparently and with give and take with stakeholders

Upholding Mission

- In adaptive governance the board designs procedures (committees) to continuously answer these questions:

➢ Are we asking the big questions? The right questions?

➢ Is mission used as a decision-making screen? (board development)

➢ Are the strategies and programs we use the right ones? If not, what do we do? (planning and evaluation)

➢ Are we structured and managed in a way that facilitates a learning environment? (ED oversight/personnel)

➢ Do we have constituent perspective on how well we are meeting our mission? (evaluation and communications)
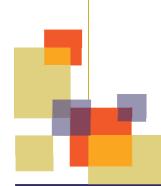
Fiduciary Responsibility

- Does our financial management practice reflect a whole systems approach to meeting mission? That is, are we a bunch of government contracts or does our accounting reflect our strategies?

- Are we chasing funding and causing mission drift or are we in transparent and generative conversations with donors about the best and highest use of donations?
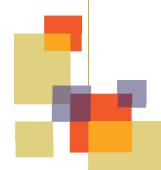
Viability

- Viability isn't about creating fundraising machines – it is about a collective group of people ensuring a viable organization for only as long as its particular purpose and mission holds meaning for the community it serves.

- The group asks the question: "sustainability for what?" if that answer is satisfactory it plans for ongoing resources through fund development, volunteer and other resource planning.

Ensuring Sound Management

- Is the executive director managing in a way that creates a staff of critical thinkers and ongoing learners? Does staff provide front-line perspective on changes required to adapt and best meet our mission?

- Does our organization have a healthy culture and work place?

Maintaining Accountability

- Ensure *meaningful* constituent voice in our organization (surveys at minimum)

- Work with *stakeholders* to raise critical questions about our work – (meetings)

- *Evaluate* how we are doing? (Include building time for process and reflection and learning from mistakes)

- How do we proactively show *transparency*?
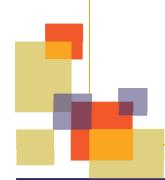
Ensuring Health of the Board

- Do we recruit people who have a passion for and will learn more about our issue and about the culture of our organization?

- Do we recruit people who will work collectively toward the common good?

- Do we recruit people with excellent communication skills?

- Do we spend time talking about our learning and communication styles – to improve our work together?

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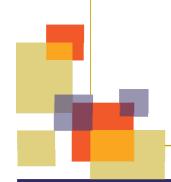
Good Governance Relies Upon

- The collective action of prudent people making well-informed decisions (requires good leadership and facilitation)
- Partnership among board and the community, management and front-line staff – ED is not only window of interpretation

Organizational Life Cycles and Adaptive Capacity

- The parabola of growth, decline and renewal

- Stages of organizational growth

- Leadership – leading and following boards and default leadership styles of executive directors

First Stage - Founder

- Entrepreneurial – ideas to action
- Shared vision – whoever holds this most, the board needs to push towards shared vision
- Communications – transparent and wide-spread
- Learning management pieces together
- Learning laws that govern nonprofits and keeping them (liability)
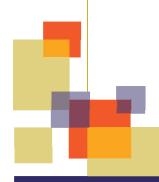
Second Stage - Management

- Often new leader who is administrator
- Building in systems for financial management, fund development, and human resources – personnel policies, hiring
- Risk management (policies, insurance)
- Formalization of internal and external communications
- Strategic planning
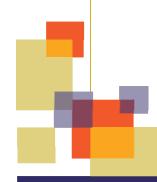- Liability

Third Stage - Growth

- Definitely a strategic plan
- Policies in place to set parameters for management
- Oversight of new program offerings
- Oversight of pace of growth – is ED capable, are staff? Is the board? How much and what pace?
- Siloed programs and Mission drift?
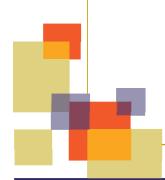
Fourth Stage – Planning & Alignment

- What style of leadership- management is required to create a mature organization with a healthy organizational culture (facilitative)?

- Are we thinking strategically based on data we gather from our environment?

- Are we stultifying or taking risks?

- Are we adaptive?
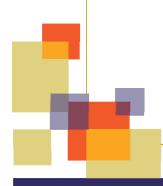
Adaptive Governance

Adaptive governance describes a group of well informed, diverse people who mobilize themselves, the organization they govern and the community they represent to continuously adopt new learning, behaviors, forms and structures to best tackle achieving mission and community impact and the challenges met along the way.

Adaptive Leadership

"Adaptive leadership is the practice of mobilizing people to tackle tough challenges and thrive....it is specifically about change that enables the capacity to thrive."
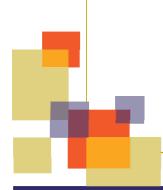
Heifitz, Ronald et al. The Practice of Adaptive Leadership, Harvard Business Press, Boston, MA, 2009.

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Adaptive Governance

- Is about meeting mission and community impact
- Not institution building

Building Blocks for Adaptive Governance

- Continuous learning/Culture of Inquiry: for self, board and organization. Ask why the organization exists, wrestle with value propositions, purpose, and process as a matter of course.

- Build on the past – successful adaptors are both conservative and progressive. Anchor change in mission, values, data and core competencies.

- Experiment – requires taking risk.
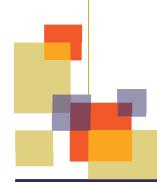
Building an Adaptive Board

Requires:

- Using vision, mission, values as organizing tools not concepts.

- Developing communication skills across the board.

- Reframing truths as assumptions (mental model work).

- Normalizing critical thinking, inquiry, diversity of opinion, questioning, listening.

- Getting on the balcony and off the dance floor.

- Falling in love with tough decisions (e.g., close calls, you must choose between known and unknown, doing the right thing would incur significant losses, or several of your values are in conflict).

The Tools and Processes

- Recruitment: recruit mature people with passion for the mission. (Look internally among your donors and volunteers)

- Orientation: they should volunteer/spend time in day-to-day activities – meet staff and constituents.

- Training – train about culture – new board members should learn and adopt the culture, not bring in their own. (Emphasize organizational values)

- Ongoing Education: keep the board up-to-date regarding innovations in the field, new policy, demographics, feedback from constituents.

Tools and Processes

- Meetings: Well managed, agendas, materials ahead of time, build relationship through ice-breakers, focus time on the big picture – even in a financial crisis (build external fundraising committees)

- Create a board, executive director and staff performance review and supervision system that rewards critical and whole system thinking, high level communication skills, taking initiative and admitting to and learning from mistakes. – *and enforce.*

- Build networks. Meet with board members of like organizations – informally over a meal – share vision and strategies for bigger impact.

- Build diversity: strengthen board diversity to become more flexible and open to new ways of seeing and doing things.

Reflection

Think for a moment

What stage is your organization in? What did you hear today that you might want to adopt for your board or bring back as a learning to your board?

Share with two other people.