Is it time for a governance makeover in your organization?

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How long does it take a member to communicate a problem or idea to reach a satisfactory resolution in your organization? Does it enter the governance pipeline only to be delayed, lost or unresolved?

As nonprofits struggle for relevance, the governance structure should not be the root of the problem.

Organizations all over are streamlining governance processes. It may be a revamp of the bylaws, fewer committees, smaller board or elimination of ex-officio seats at the board table.

Now is a good time to look at your governance structure and determine if it needs a makeover.

In the old days
Many organizations were founded decades or a century ago — and their bylaws reflect "the way we've always done it." For instance, board seats were based upon geography so every member had a voice throughout the territory. Today's boards require high-performing directors with certain skill sets.

A house of delegates was used to gather member input and develop resolutions. The large body met once or twice a year as a platform for vetting ideas. Today those responsibilities are handled by more timely committees and board meetings. The pace of change and expectations do not conform to the cumbersome structures.

Ex-officio directors were added to respect persons who held specific positions (i.e., past presidents and founders). Today the government expects to know precisely who is accountable and on the board. In fact, Canada recently banned the role of ex-officio on boards.

Makeovers

Reforming governance starts with a realization by leadership that the current system is counterproductive or broken. This can cause anguish, and it takes courageous leaders to promote change.

The approach may be a comprehensive system makeover or simply tweaking the elements. Here are the trends and outcomes:

- Smaller board of directors
- Fewer board meetings; better use of executive committee
- Merged or eliminated committees
- Continuous review of governance process by a task force
- Transformed nominating committee to a "leadership development committee"
- Reduced or eliminated the multiple "vice president of" positions
- Empowerment of CEO
- Eliminated ex-officio positions or multiple past presidents
- Selection based on competencies, not geography
- Assigned board members to serve as committee liaisons, not committee chairs
- Revised agenda to reduce reports and updates; use of a consent agenda
- Aligned committees and volunteer talent with strategic plan goals

Analyze the components

Start by assessing the governance components. Evaluate each document, practice or process to determine if it hinders or facilitates good governance.
• Governing documents (bylaws, articles, policies)
• Nomination process and leader development
• Board composition and skill sets
• Installation, orientation and board access to information
• Rules of order, culture and decorum
• Board meetings, agendas, frequency, outcomes
• Committee structure
• Subsidiary and affiliate organizations
• Statement of purpose or mission
• Strategic plan
• Talent and resources (people, finances, technology)

When boards are asked where they'd like start on a makeover, the answer is often "all of the above."

A governance makeover can be conducted by appointing a task force, comparing and contrasting similar organizations, or hiring consultants. Few organizations make drastic changes, preferring to phase in change over a year or more.

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About the Author

Bob Harris, CAE, provides free governance tools and templates at The NonProfit Center. He is on the faculty for the U.S. Chamber of Commerce and has worked in Amman, Jordan, Tokyo, Japan, Kiev, Ukraine and Minsk, Belarus to help organizations. Bob received “Association Partner of the Year” award from Association Trends Magazine in 2012, and he has authored books on association management. To improve management he created the Association Self-Auditing Process, used by more than 20,000 organizations. He believes that nonprofit organizations should be as efficient as any commercial business.
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