Instilling a Corporate Culture
Bob Harris, CAE

I suggest that boards adopt a corporate culture to increase their impact and outcomes.

Corporate culture can be described as the beliefs and behaviors that determine how volunteers and staff interact and handle decisions. Some nonprofit boards refute the idea of corporate culture.

Association executives ask, “Are you suggesting we adopt a business model?” The answer is a resounding, “YES.”

From the perspective of volunteer leaders I’ve heard some unique replies, “We are an association, not a corporation.” Or, “We are nonprofit so I don’t think a corporate culture would benefit us.”

Working as a Business

An association is a business. I’m not the first to advise that “nonprofit” is a legal designation, not the model for volunteer behaviors.

Some directors leave their business skills at the boardroom door. They work in successful organizations, but come to the board meeting to see friends. Meetings are characterized as the “lunch bunch” or a time to share stories.

The purpose of a board is to govern. Members and stakeholders expect results.

Read the recent meeting minutes and one might ask why the board met. Agendas average a dozen reports to which the directors are forced to listen or read. For directors who arrived without preparing the most frequent phrase is, “I just have a question.”

Culture Evolves

Culture settles into an organization, often without realization. Meetings planned just to meet may become the norm. Or a lack of quorum becomes the standard.

The worst characterization of a board is, “good old boys.” Nobody purposely sought this reputation but it happens.
You may recognize it by looking around the board table realizing the directors don’t reflect the composition of the membership.

Or you hear awkward statements like, “We’ve always done it that way” and “That’s not how we used to do it.”

**Corporate Ingredients**

An association’s corporate culture develops organically over time from cumulative processes and behaviors. While there are precise governing documents the culture is usually silent or implied.

Some organizations consider governance to be a meeting, an agenda, reports, minutes and adjournment. These are ingredients of a board meeting but a business culture requires more.

To instill a corporate culture, include these aspects:

- **Performance** – How can leaders gauge and recognize success if performance measures are not set? Under-performing programs should be enhanced or cut; the same for committees. Report on performance through a series of dashboards to visually communicate trends, growth and gaps.

- **Strategy** – A board should be strategic, leaving the tactics to committees and staff. The board sets a multi-year roadmap. Keep the plan on the board table and report on progress at meetings.

- **Impact** – Members expect results. Does the organization have enough influence to sway decision makers and affect public policy? Members may say they are not interested in politics but nearly all of them desire a better operating climate with less regulation.

- **Brand Strength** – Corporations rely on a contemporary brand, logo, media and messaging to communicate with power. Discuss the reason for the image of the logo and if it communicates a clear, positive message.

- **Behaviors** – Leadership behaviors have an impact on the board and its outcomes. Somebody playing devil’s advocate at every meeting seldom adds value. Arriving late or unprepared is unacceptable, diminishing board performance.
• **ROI** – Corporations deliver dividends and equity. Associations should provide value or return on investment for dues paid. Do decisions of the board, and the programs and services provide enough value to sustain or grow the membership?

• **Principles** – Principles are the values developed in the organization. Values guide the discussions and decisions of the board. Be sure the board is aware and considers the stated values. They often include respect for accountability, transparency and diversity.

• **Processes** – Question why certain processes exist. How is the agenda developed? Do guests sit in or distract meetings of the board? Do reports dominate the agenda leaving little time for substantive discussions?

**Changing the Culture**

Few boards make time for an introspective discussion about image, behavior and results.

Start with the question, “Are we the best board possible?” “What can be improved?”

It can be a difficult conversation. They might ask, Should we be more diverse? Do board meetings produce outcomes? And, do processes and behaviors reflect good governance?

Use a self-assessment tool to guide the conversation. Consider a facilitator to advance the discussion and reach consensus for action.

Ask directors to judge their individual performance. Use their input to improve processes and meetings. For example, if they feel they are not strategic enough, find a way to weave the strategic plan into meetings.

If the board is the wrong size, decide on the right number of directors to allow for meaningful conversations. The average is 15 persons.

If the board meets too frequently discuss an agenda that advances business for at least 90 days. With technology and the authority of an executive committee, work can be accomplished in between duly called meetings.

If there are too many reports to digest, implement a consent agenda process to reduce time spent reading and listening. Directors will have to make time to read before
meetings.

Through honest self-evaluation, introspection and a commitment to be the best, business principles can become the norm.

**Trustee Roles**

Directors should understand they are trustees of a corporation. The membership has entrusted them with resources to advance the mission and goals.

Board members are to perform their duties in accordance with corporate laws and the governing documents.

Most directors have the business skills necessary for good governance. They should ensure this board strives to be a model of excellence.

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Note: Bob Harris, CAE, provides free association governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com)