

# NGO Health and Disability Network Governance Review

April 2014

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# Executive summary

## **All organisations participating in the NGO Health and Disability Network's 2014 governance workshops were surveyed**

- A link was sent by the NGO Health and Disability Network to the network's contact person at each NGO, with a request to distribute it to other trustees (board members)
- 159 individual responses were received

## **Using a mix of multiple-choice and open-ended questions, the survey reviewed governance best practices broadly, with special emphasis on those areas that are usually problematic for NGOs**

- The questions distinguished between issues affecting trustees, chairs and CEOs
- The survey separated interpersonal from procedural issues

## **In a reverse of the pattern usually seen in the private sector, boards scored well on interpersonal issues, but poorly on procedural best practices**

- Repeatedly, respondents asked for an online repository of governance information, with policies, rules and templates (an "NZ Navigator for governance")

## **Furthermore, many boards are clearly operating in isolation, with a strong wish for peer exchange**

- Trustees are isolated from the circuit of knowledge and discussion available through, e.g., the Institute of Directors
- "How do other NGOs do things?" was a common refrain
- Setting up regional networks for exchange among trustees and chairs was a common suggestion

## **Finally, trustees are conscious that they lack business knowledge**

- Many feel uncomfortable about reading financials, with wish for clear templates and better understanding
- And many have difficulty at strategic level, especially in planning in an environment of uncertainty and in assessing and monitoring the value their strategies create

# Agenda

## Findings and themes

### Overall output along five dimensions

### Appendices

1. Survey process
2. Survey questions

Governance survey drilled down into most common areas of trouble for NGOs to isolate specific issues

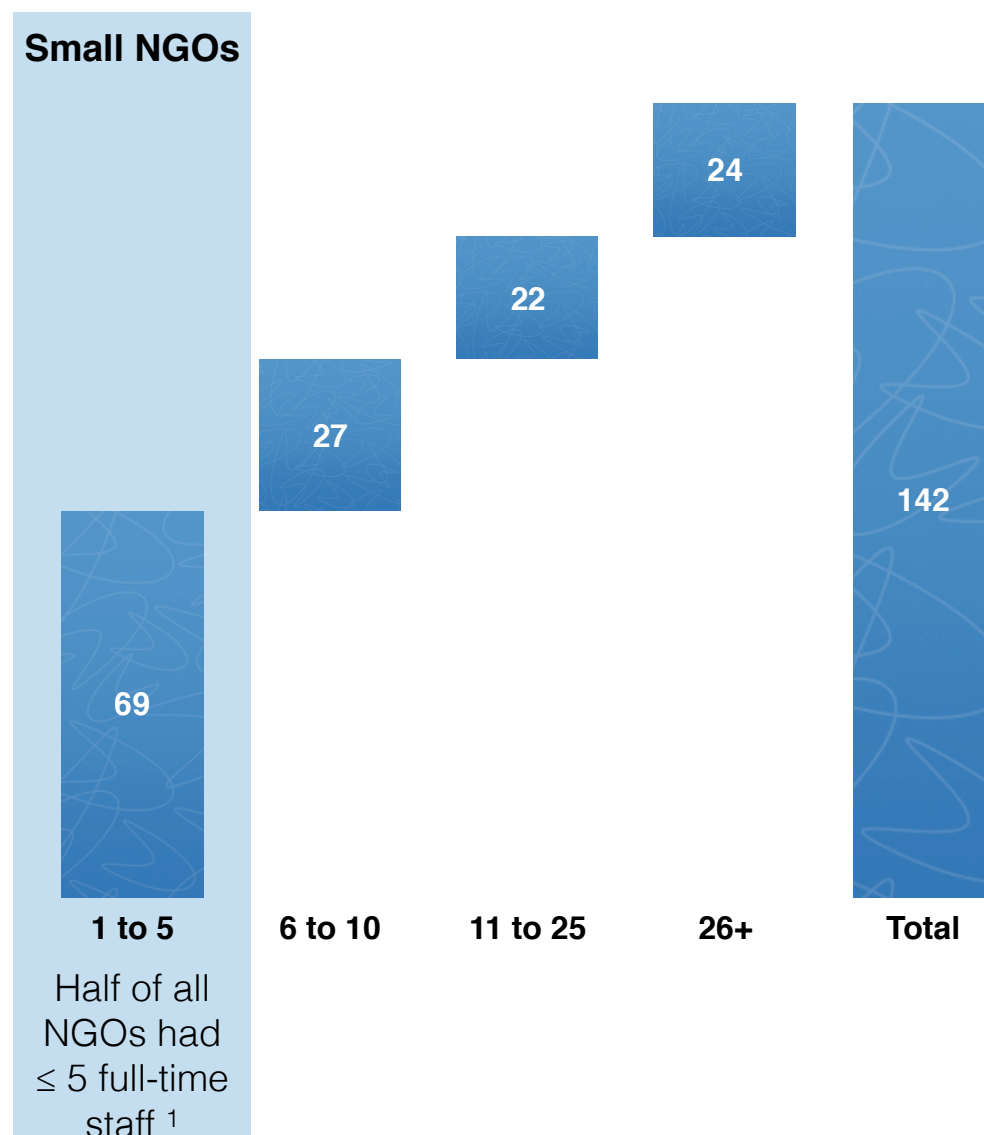
	Trustees (Board)	CEO	Organisation
Selection	Preparation for commitment and understanding of roles	Succession planning	
On-boarding, off- ramping		Goal-setting and performance review	
Collegiality & effectiveness	Competence, effectiveness and sharing the load	Management versus governance and balance of power	Understanding and contributing
Meeting preparation	Detail versus generalities; timeliness		
Decision-making	Avoiding groupthink; deciding together	Trustworthiness and competence in assisting decisions	
Follow-through	Measuring successful implementation		Implementing reliably

# Five broad needs emerged

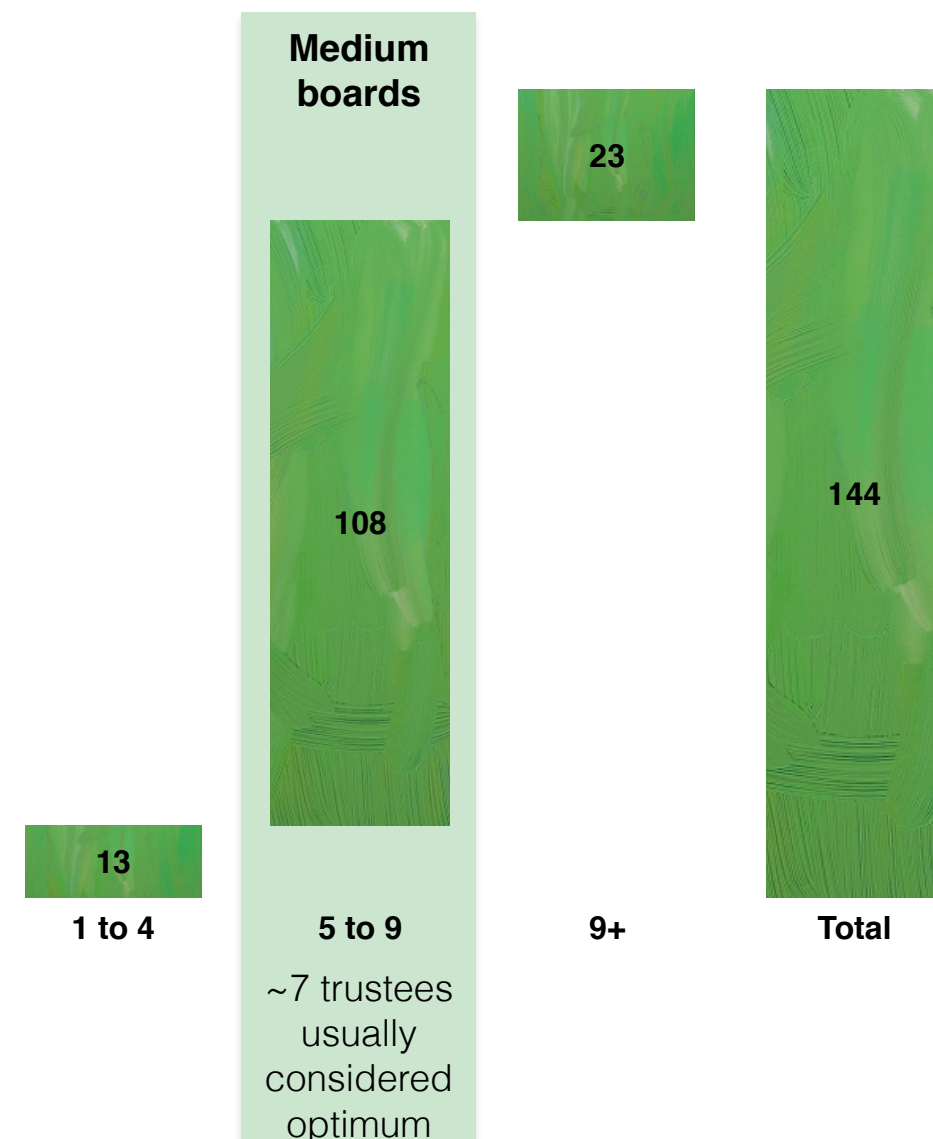
1	Governance information repository	<ul style="list-style-type: none"> <li>“We need to <b>know what best-practice governance actually is!</b>”</li> <li>“It would be great if we could access best-practice material (policies, procedures) in <b>one place online</b>”</li> <li>“Let’s have an NZ Navigator for governance so we don’t have to hunt it all down”</li> </ul>
2	Peer exchange & mentoring	<ul style="list-style-type: none"> <li>“How do other NGOs do it all? I have <b>no idea</b>”</li> <li>“It would be great if our <b>Chair could meet with his counterpart in another organisation</b> so they could bounce ideas off each other and get tips and tricks”</li> <li>“A <b>board member networking scheme across the region</b> would be really helpful”</li> </ul>
3	Strategic capability	<ul style="list-style-type: none"> <li>Almost all: “How do we <b>plan for the future in an atmosphere of such uncertainty?</b>”</li> <li>“How do we <b>link short and long-term strategy?</b>”</li> <li>“How do we <b>assess the value</b> we provide?”</li> </ul>
4	Basic business skills	<ul style="list-style-type: none"> <li>“We need to be more <b>financially literate</b>”</li> <li>“It would be great to have a <b>template</b> for clear, simple monthly finance statements”</li> <li>“<b>What kinds of questions</b> should I be asking of the CEO and staff?”</li> </ul>
5	Structural and procedural practices	<ul style="list-style-type: none"> <li>Many: “We need to understand <b>succession planning</b> - we would be totally at sea if our CEO or key staff had a medical emergency or dropped out”</li> <li>“We need to be much better at meeting preparation, planning and minute-taking”</li> <li>“Where can I find <b>employment best practices on a low budget?</b>”</li> </ul>

# Most of those surveyed were from smaller NGOs with an optimal board size of 5-8 trustees

*The approximate number of our full-time staff is...*



*The size of our board of trustees is...*



1) "Zero staff" not provided as an option. Future surveys should correct this

# Workshop 1: Survey Output

## Governance capabilities

### Governance expectations

- ☐ We need to know what best-practice governance actually is!

### Renewal and rejuvenation

- ☐ We need clear guidelines, roles and tasks for trustees
- ☐ Accountability for trustees! Accountability! Accountability!
- ☐ I wish I could select, rather than elect
- ☐ How do we get low-performing trustees to leave?

### Online resources

- ☐ I would love to access professionally-written resource material (guidelines for exit interviews, induction packages, remuneration)
- ☐ It would be great if I could see relevant law changes in one place
- ☐ We need a one-stop online resource

### Workshops

- ☐ Workshops like the one I'm about to attend is the best resource I can imagine
- ☐ Training workshops also allow us to strengthen our relationships as trustees

### Peer exchange

- ☐ How do other NGOs do it? I have no overview
- ☐ I'd like to meet with other organisations' trustees and key staff

## Business capabilities

### Finances are a universal problem - not managing them, but raising them

- ☐ We need to understand best-practice fundraising
- ☐ It would help if we knew more about the Government's long-term plans, and those of the DHBs

### Setting and monitoring strategic metrics

- ☐ It is difficult to know whether the organisation is actually making progress towards our goals or just marking time

### Setting a strategy

- ☐ Trustees need to set clearer strategic goals
- ☐ Our strategic direction was initially strong, but it has broken down over time
- ☐ We need to set aside time for "where are we at," rather than just going through the agenda
- ☐ We don't have a clear link between our short- and long-term strategy

### Understanding the process of setting a strategy

- ☐ How do we go about setting goals?
- ☐ We are totally divided over our strategic direction, and neither side will listen to the other



# Workshop 2: Survey Output

## Governance capabilities

### Best-practice examples

- Samples of what sorts of things should be included in monthly reports to the board
- What is the best way to appraise the CEO's performance?
- Indications of the kind of questions I should be asking the CEO
- Input from other, successful trusts
- Easy-to-follow manuals that lay out the expectations on a Board Member
- Examples of simple, clearly laid-out monthly financial statements

## Business capabilities

### Technological and online assistance

- A sharing site for materials (*Editor: Tried Dropbox or Google Docs?*)
- Affordable telecommunications for conferencing
- A self-monitoring facility, like NZ Navigator

### Forward planning amidst uncertainty

- How do we plan forward when the political and funding environment is changing so rapidly?
- How do we lower the risk of being dependent on one main source of funding?

### Meshing strategy and business

- How do we understand the Trust's operational environment well enough to formulate strategy for it?

## Human factors

### Interpersonal dynamics

- The CEO treats the board as a security risk and won't release information to us because of not trusting us not to leak it
- The CEO creates nasty undercurrents among us
- The balance of power between the CEO and the Chair is very difficult to get right for us
- The board is torn by a power struggle between the past chairman (who still on the board, and wanted another president to be elected) and the current chairman
- Not allowing the more dominant trustees to manipulate their agendas into becoming Trust policy
- Making sure the Trust's full-time staff don't burn out
- Frankly, if our CEO resigned suddenly or had a medical emergency, we would have a massive problem on our hands
- How do we deal with our Maori clients in a culturally appropriate way?
- How do we make the development of the organisation independent of the competence and abilities of specific people?
- How can we manage our time better?
- How do I actually represent my members effectively?



# Workshop 3: Survey Output

## Governance capabilities

### Information and a 'resource repository'

- ⦿ What actually is governance, when it comes down to it? How do we do it? (Several respondents)
- ⦿ Could there perhaps be a website on governance and on best practices?
- ⦿ I believe that all the information is there. We just don't know how to access it systematically
- ⦿ What is expected of me?
- ⦿ Where do we find all this stuff?

### Peer exchange

- ⦿ Other charities must face similar problems and have some good ideas. Why not have a networking scheme so we can learn from each other?
- ⦿ Similar trusts in the same area could have a reciprocal mentoring scheme - perhaps for new trustees or for the chair
- ⦿ If we had access to other organisations' policies, it would save so much time and we could learn from each other

### Live training

- ⦿ Governance training should be one-off, but mentoring should be ongoing
- ⦿ Occasional refresher courses would be very useful

### Distinguishing governance and management

- ⦿ How do we stop the line between governance and management blurring in such a small organisation? (Several respondents)

## Business capabilities

- ⦿ Execute succession planning
- ⦿ We need to be more financially literate
- ⦿ I wish we had someone who understood transformational change
- ⦿ Have a clearer link between short and long-term strategy
  - ▶ *"The value of 3-5 year planning isn't always appreciated!"*
- ⦿ We need better marketing skills towards our stakeholders and community
- ⦿ How do we assess the value we provide?

## Human factors

### Between trustees

- ⦿ Get together face to face more often
- ⦿ We need more time to interact as a group

### Relating to the Chair and CEO

- ⦿ Chair has a clear vision of where he wants us to go, but doesn't always listen to those who don't share his views
- ⦿ Past issues between CEO and board colour present relationships

### Cultural issues

- ⦿ Reconciling Maori cultural knowledge and practice vs. Western scientific clinical practice is a challenge

# Workshop 4: Survey Output

## Governance capabilities

### Information and a 'resource repository'

- General information on what governance is
- Affordable advice on law, on technology, on financial obligations
- A ready-made board package with all the information about our duties and roles
- Best practices in ONE PLACE across the sector, rather than having to hunt everything down
- Easy access to HR info based on industry standards

### Peer exchange

- Other charities must face similar problems and have some good ideas. Why not have a networking scheme so we can learn from each other? (What about "chair to chair" networking?)
- Similar trusts in the same area could have a reciprocal mentoring scheme - perhaps for new trustees or for the chair
- Maybe an occasional forum/meeting for NGO Boards/Trustees to share info, peer learning/support etc - just around governance and allied topics
- An external mentor would be good for our President to receive encouragement and guidance from.
- If we had access to other organisations' policies, it would save so much time and we could learn from each other

### In-person support

- It would be helpful to have a seminar for just our board by a presenter who understood our issues. Occasional refresher courses would be very useful
- We need to retain access to past presidents' knowledge

## General business skills

- We need someone with real contacts in the fundraising sector
- At least one board member with medium to large business acumen
- Need to set clear goals
- We need to get better at matching roles to skills
- Need to be able to reward trustees for long service
- We need to improve our minute-taking and meeting hygiene

## Human factors

### Regarding trustees

- Need to be able to select some trustees, rather than have everyone who's voted on
- We need something to keep us all amped up!
- A couple of trustees who don't have skin in the game

### Relating to the Chair and CEO

- Chair has a clear vision of where he wants us to go, but doesn't always listen to those who don't share his views
- Past issues between CEO and board colour present relationships

### Cultural and community issues

- Better representation of people from different cultures
- Access to people from the medical community so we can give our members correct information about their condition



# Workshop 5: Survey Output

## Governance capabilities

### Information and a 'resource repository'

- ☐ General information on what governance is
- ☐ A full understanding of what the rules of governance are and what our duties and liabilities are
- ☐ What are my responsibilities as a trustee?

### Peer exchange

- ☐ I'd like a board member networking scheme
- ☐ How do other organisations do it? I'd like to know.

### In-person support

- ☐ It would be good to have someone to come in and explain governance on an ongoing, intermittent basis
- ☐ Workshops such as this one and Board Works are usually very helpful

## General business skills

- ☐ We need simple monthly finance statements!

## Human factors

### Regarding trustees

- ☐ We're bogged down too often - we just need to get on with it
- ☐ We need a balance of experienced trustees and new blood
- ☐ We need to be able to appoint some trustees, not just take everyone who's elected
- ☐ We need to spend more time face to face as a board

### Relating to the Chair and CEO

- ☐ We need to be better at managing the governance / management interface
- ☐ How do we align the CEO with the board?
- ☐ The Chair glosses over the fact that we don't get enough information from the Finance department - how do we fix this?

# Agenda

## Findings and themes

Overall output along five dimensions

## Appendices

1. Survey process
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# Survey looked at best practices for procedures and interpersonal effectiveness across three dimensions

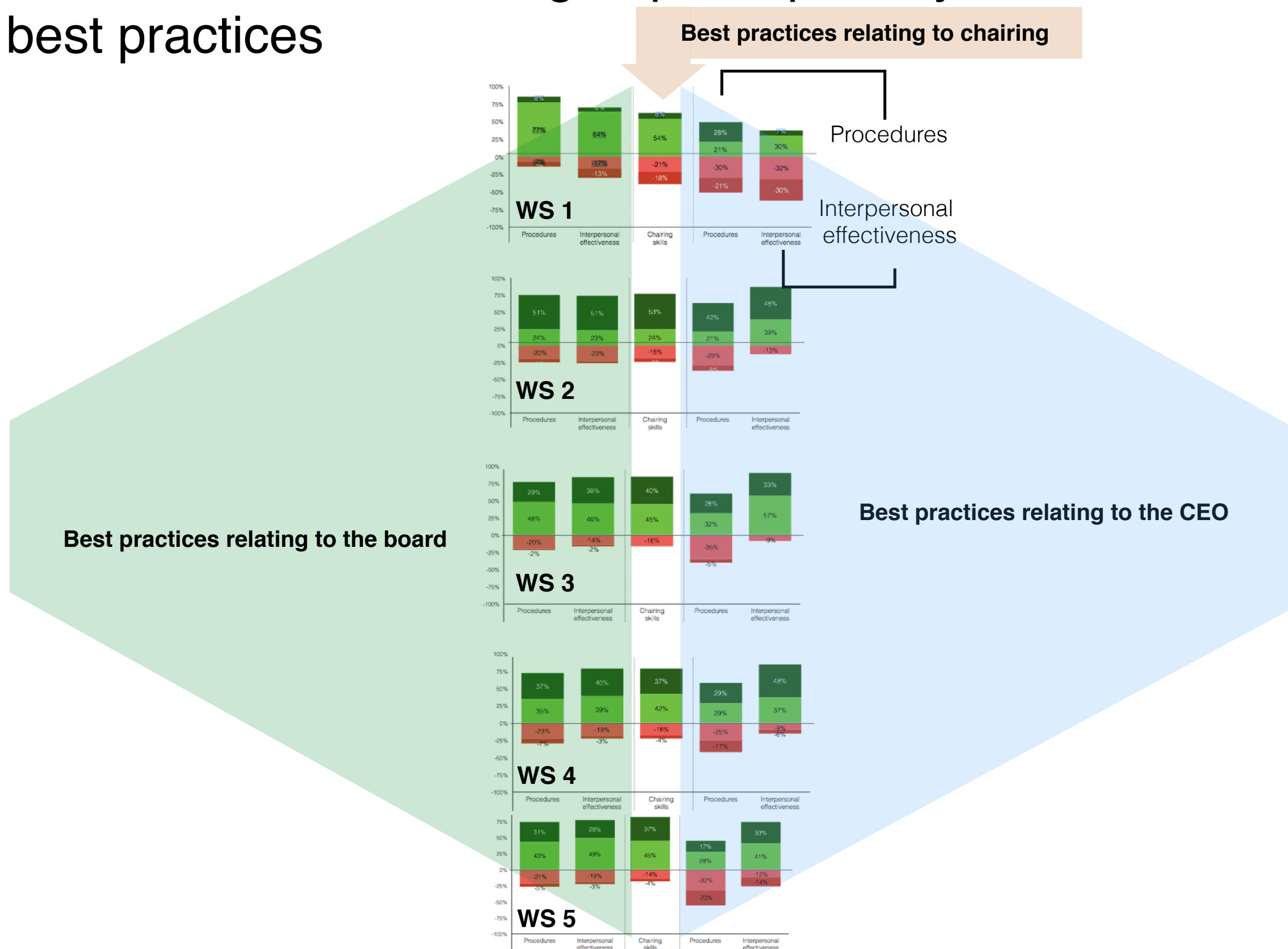
## Board of Trustees

## Chair

## CEO

Procedures	Interpersonal effectiveness	Procedures	Procedures	Interpersonal effectiveness
Are we applying governance best practices?	Do we work effectively together as trustees?	Does our chair exercise soft skills well, and effectively execute his or her role well?	Do we have the right policies in place for working with our CEO?	Is the relationship between us and our CEO maximally effective?

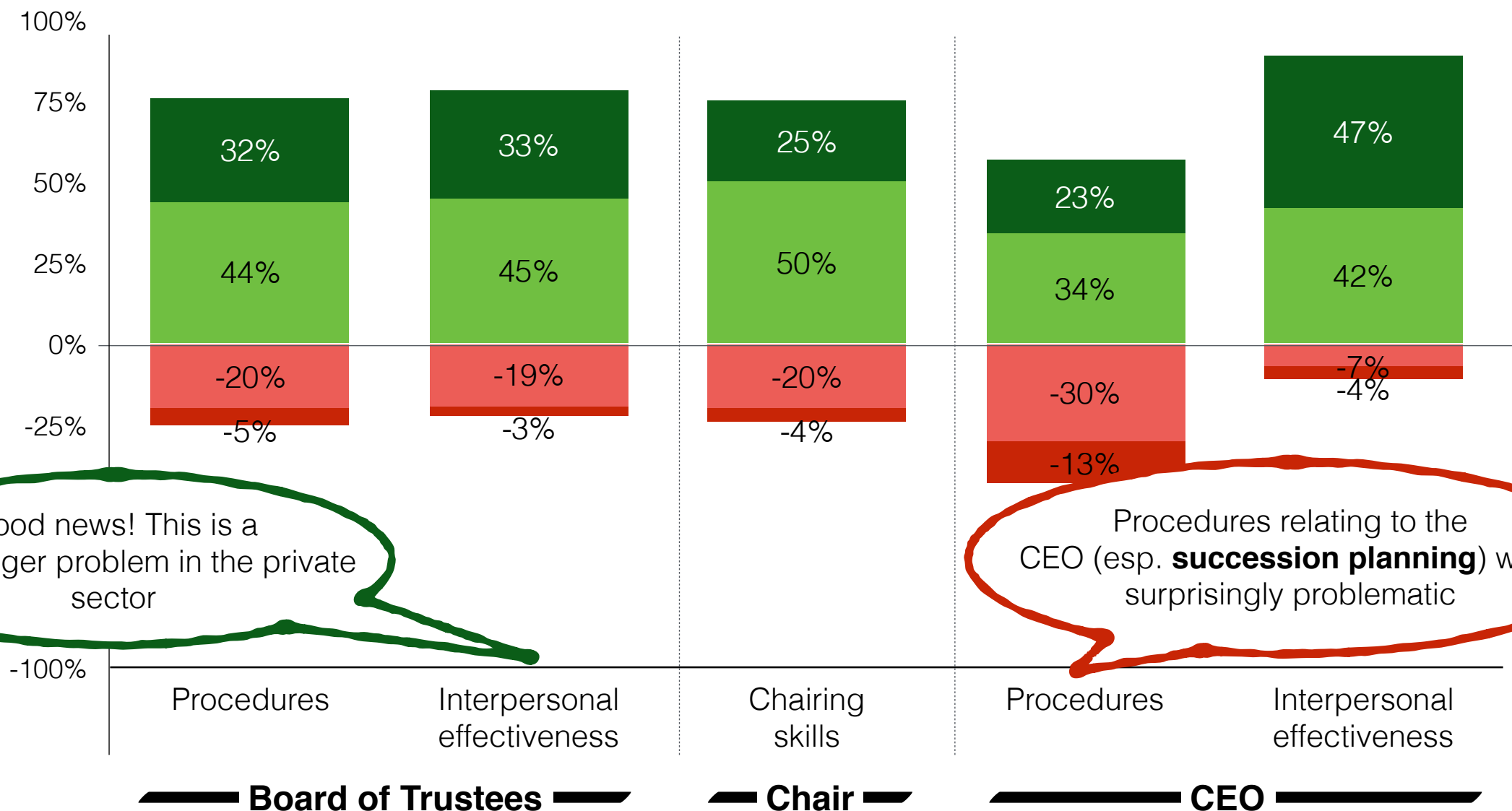
# Little variation between groups, especially on board-related best practices





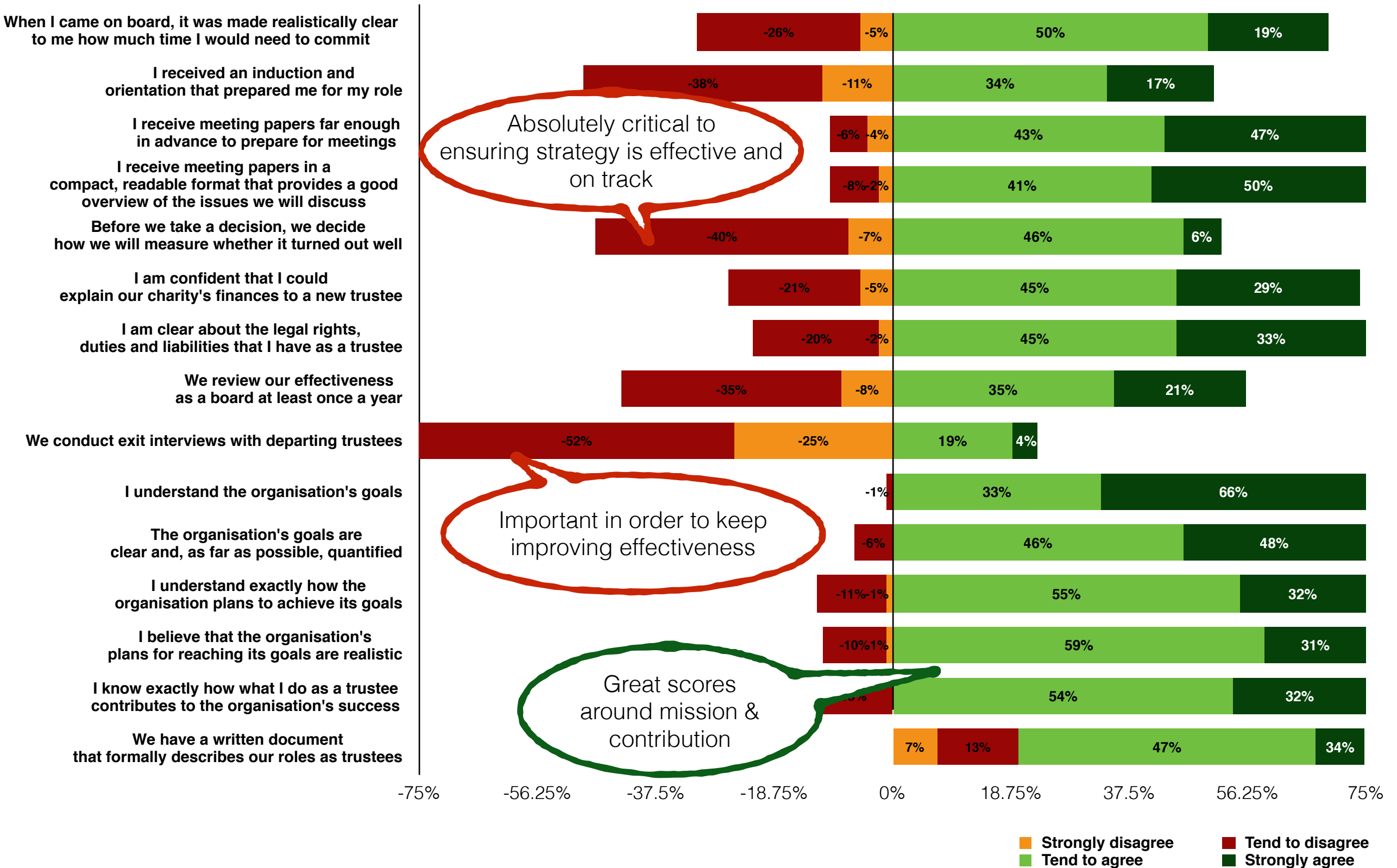
# Surprisingly, greatest issues surround procedures for dealing with the CEO

Proportion of survey participants agreeing that best-practice statements apply to their NGO



■ Tend to agree    ■ Strongly agree  
■ Tend to disagree    ■ Strongly disagree

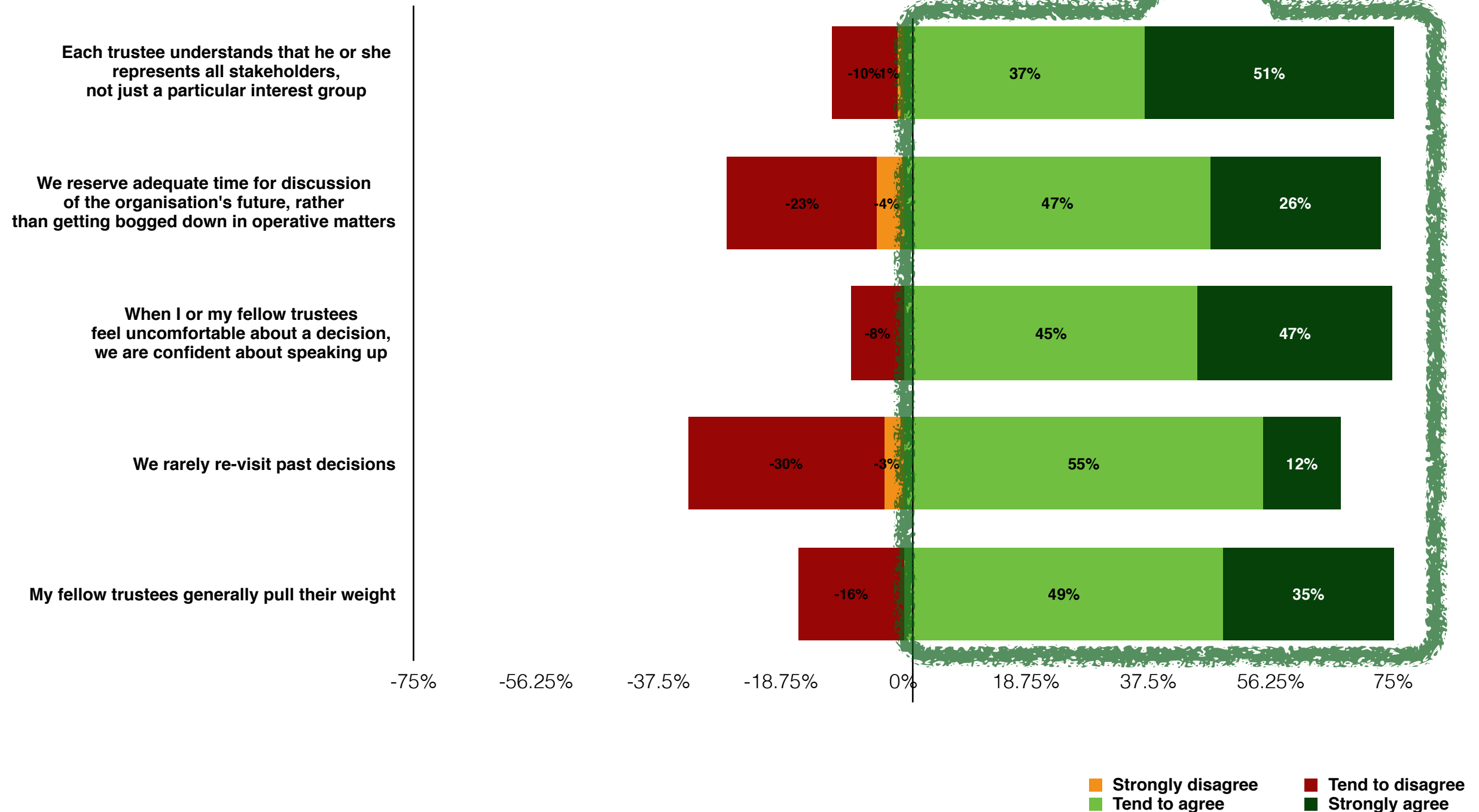
# Board: Procedures



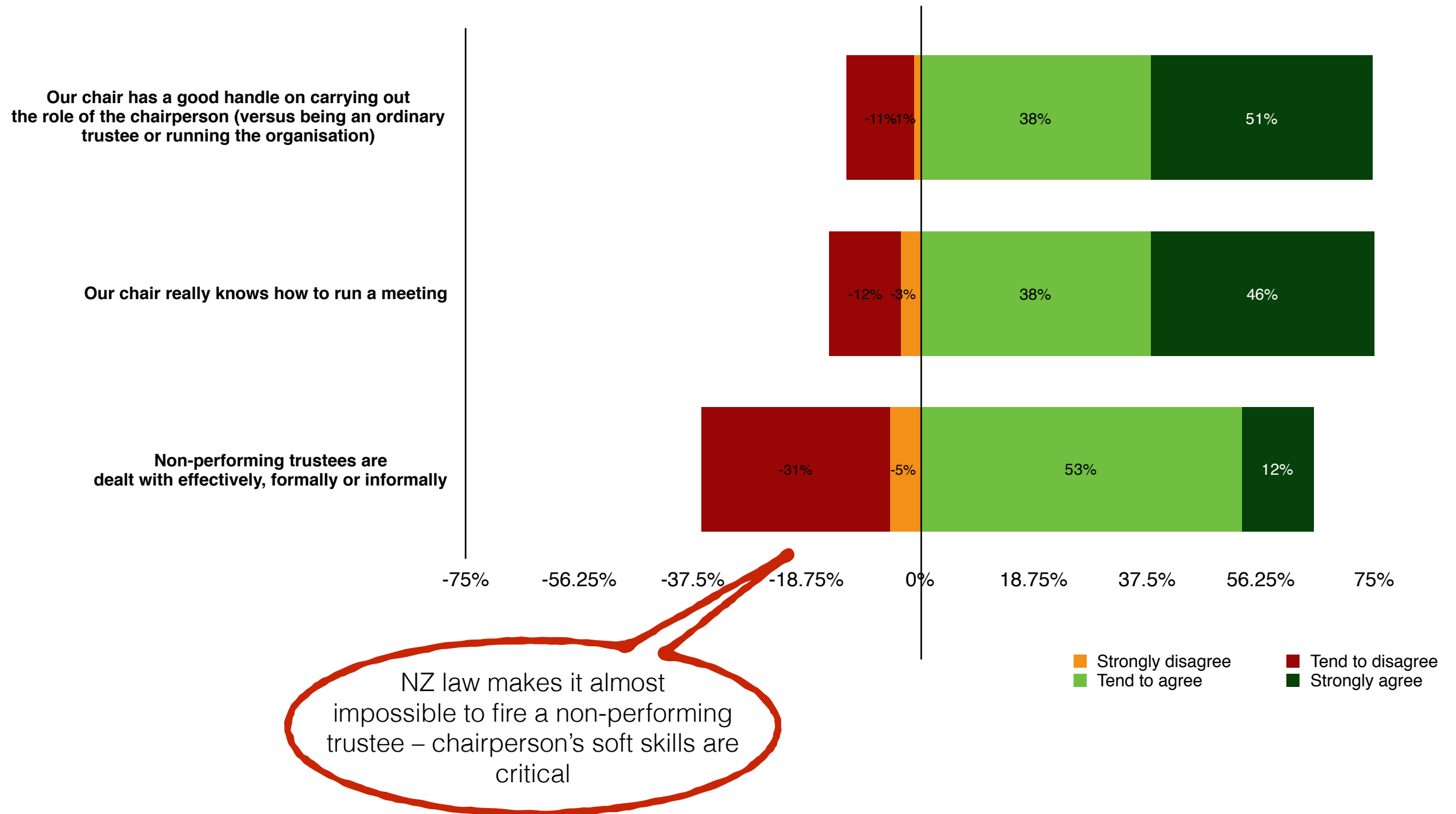
# Board: Interpersonal effectiveness



Fantastic results  
all around!

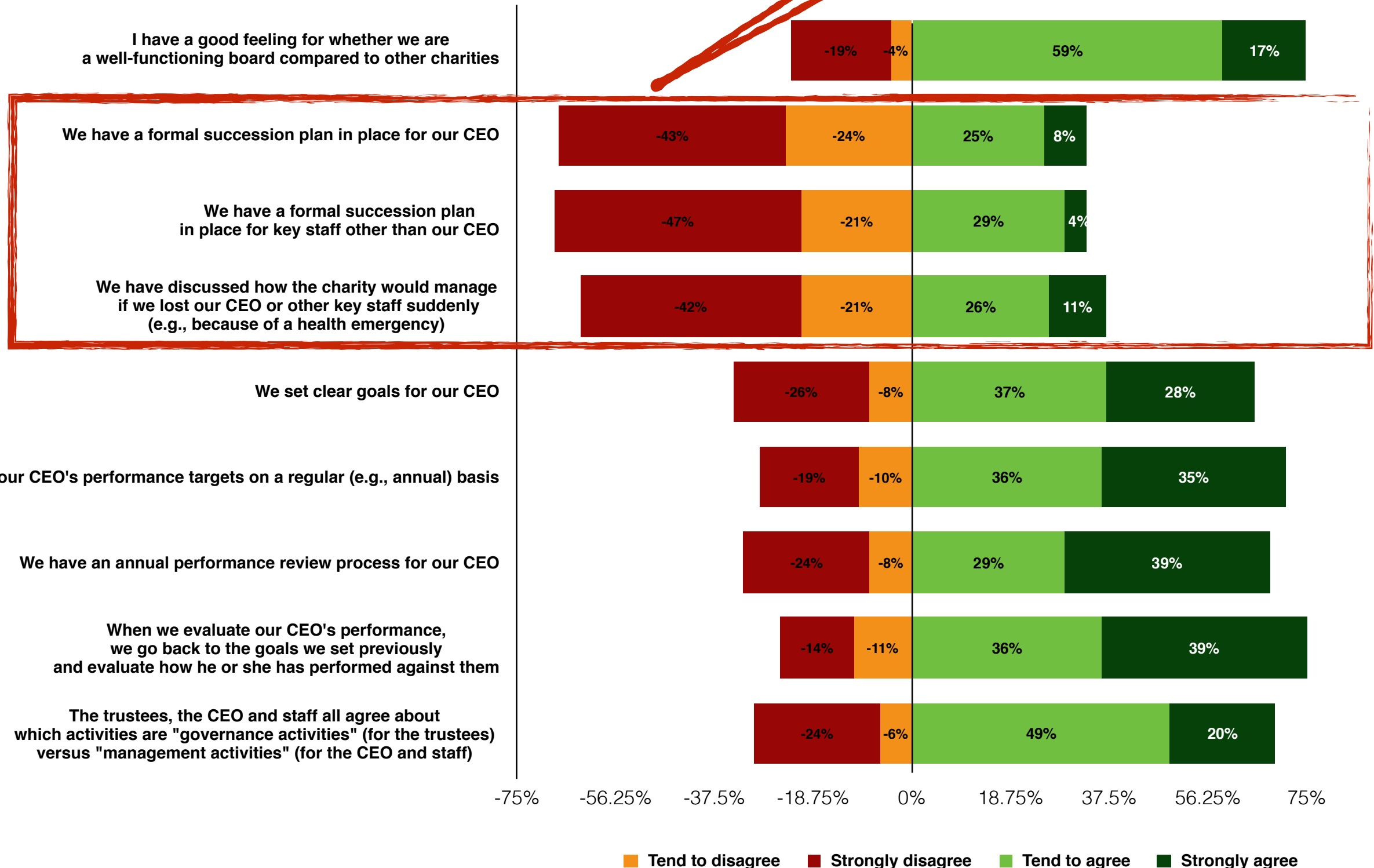


# Chairing: Skills

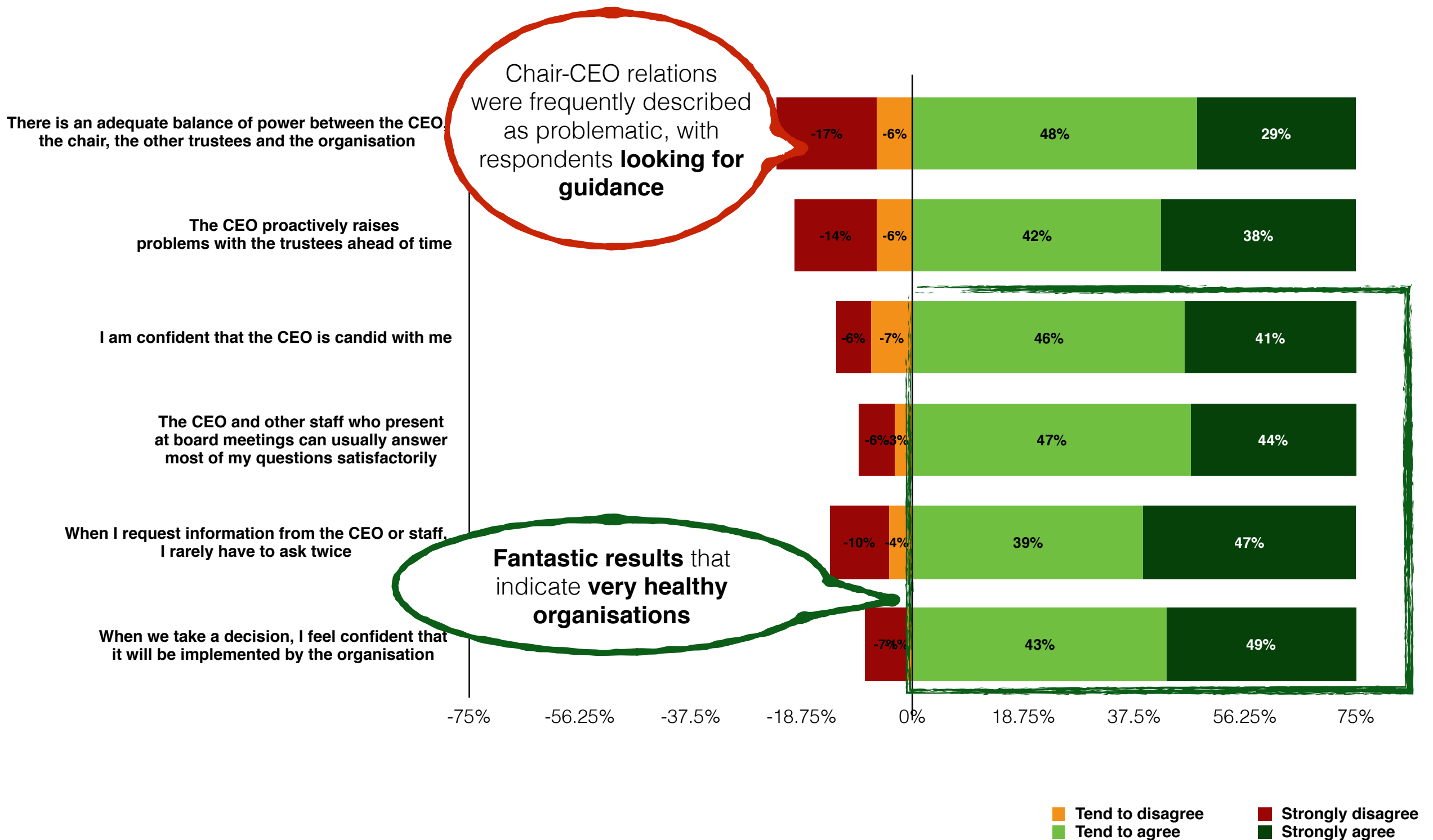


# CEO: Procedures

**Very high risk scores**  
*Small NGOs are highly vulnerable  
to sudden loss of key staff  
(earthquake!)*



# CEO: Interpersonal effectiveness





# Agenda

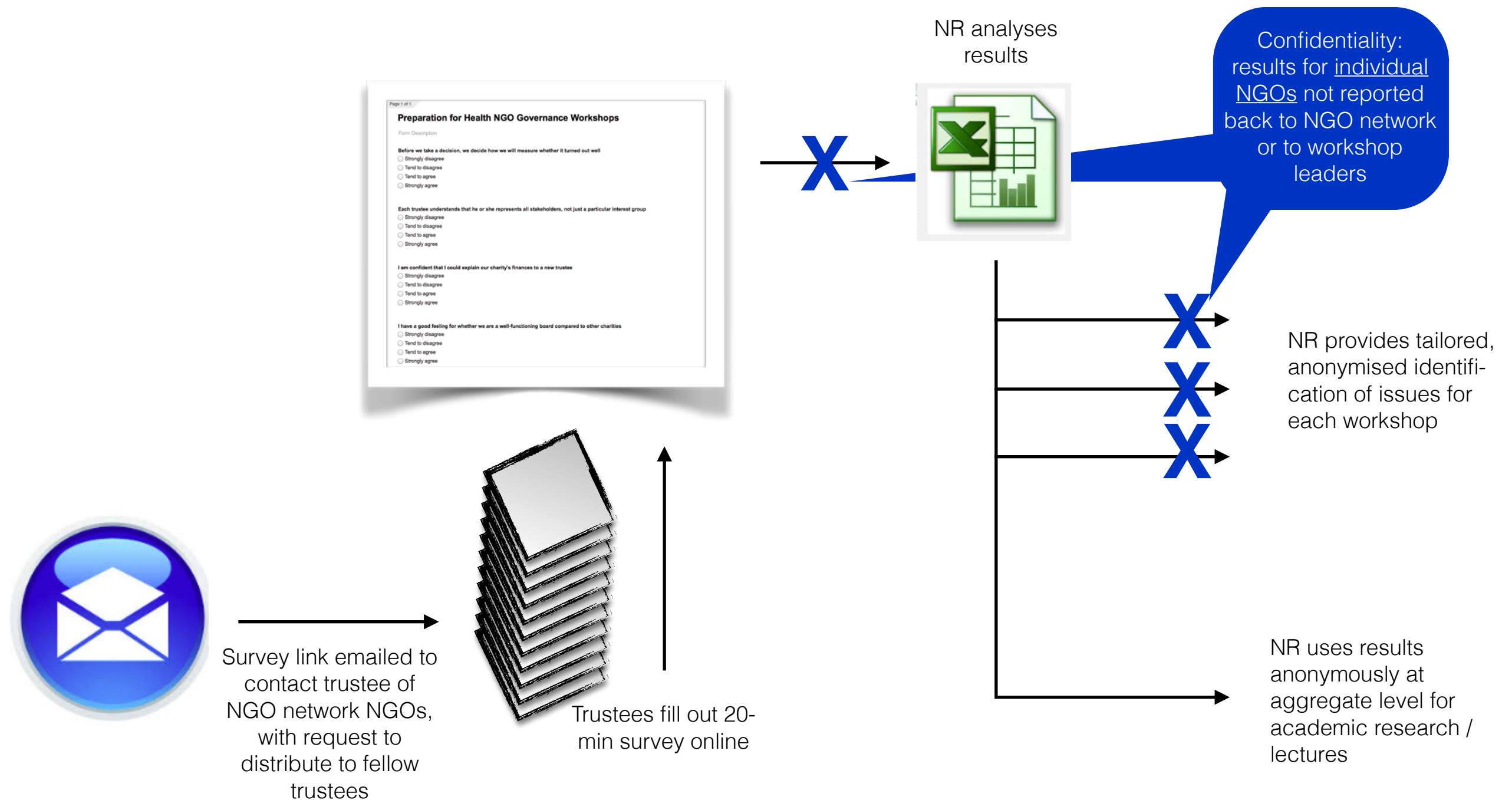
**Findings and themes**

**Overall output along five dimensions**

## Appendices

1. Survey process
2. Survey questions

# Four-stage survey process ensured confidentiality



Responsible: NGO Network

Responsible: Trustees

Responsible: Nicola Rowe (NR)

# Agenda

**Findings and themes**

**Overall output along five dimensions**

## Appendices

1. Survey process
2. Survey questions

# Questions were designed to survey broadly, while drilling down on hypothesised hot spots

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# Survey questions (I)

**The following questions used a four-point Likert scale (strongly agree, tend to agree, tend to disagree, strongly disagree)**

1. When I came on board, it was made realistically clear to me how much time I would need to commit
2. I received an induction and orientation that prepared me for my role
3. Each trustee understands that he or she represents all stakeholders, not just a particular interest group
4. I receive meeting papers far enough in advance to prepare for meetings
5. I receive meeting papers in a compact, readable format that provides a good overview of the issues we will discuss
6. I would describe the level of detail in the meeting papers I receive as (too detailed, not detailed enough, just right)
7. Before we take a decision, we decide how we will measure whether it turned out well
8. I am confident that I could explain our charity's finances to a new trustee
9. I am clear about the legal rights, duties and liabilities that I have as a trustee
10. We reserve adequate time for discussion of the organisation's future, rather than getting bogged down in operative matters
11. When I or my fellow trustees feel uncomfortable about a decision, we are confident about speaking up
12. We rarely re-visit past decisions
13. My fellow trustees generally pull their weight
14. We review our effectiveness as a board at least once a year
15. Our chair has a good handle on carrying out the role of the chairperson (versus being an ordinary trustee or running the organisation)

# Survey questions (II)

16. Our chair really knows how to run a meeting
17. Non-performing trustees are dealt with effectively, formally or informally
18. I have a good feeling for whether we are a well-functioning board compared to other charities
19. We conduct exit interviews with departing trustees
20. We have a formal succession plan in place for our CEO
21. We have a formal succession plan in place for key staff other than our CEO
22. We have discussed how the charity would manage if we lost our CEO or other key staff suddenly (e.g., because of a health emergency)
23. We set clear goals for our CEO
24. We revise our CEO's performance targets on a regular (e.g., annual) basis
25. We have an annual performance review process for our CEO
26. When we evaluate our CEO's performance, we go back to the goals we set previously and evaluate how he or she has performed against them
27. The trustees, the CEO and staff all agree about which activities are "governance activities" (for the trustees) versus "management activities" (for the CEO and staff)
28. There is an adequate balance of power between the CEO, the chair, the other trustees and the organisation
29. The CEO proactively raises problems with the trustees ahead of time
30. I am confident that the CEO is candid with me



# Survey questions (III)

31.The CEO and other staff who present at board meetings can usually answer most of my questions satisfactorily

32.When I request information from the CEO or staff, I rarely have to ask twice

33.When we take a decision, I feel confident that it will be implemented by the organisation

34.I understand the organisation's goals

35.The organisation's goals are clear and, as far as possible, quantified

36.I understand exactly how the organisation plans to achieve its goals

37.I believe that the organisation's plans for reaching its goals are realistic

38.I know exactly how what I do as a trustee contributes to the organisation's success

39.We have a written document that formally describes our roles as trustees

## **The following three questions sought an open-ended response**

40.What sorts of things challenge you and your fellow trustees most as a board?

41.What kind of resources, information, peer exchange or support would be useful to you as board members?

42.If you had three wishes to turbocharge your board of trustees, what would they be?

## **The following three questions sought data for statistical purposes**

43.The name of my organisation is

44.The size of our board of trustees is

45.The approximate number of full-time staff employed at my organisation is