Purpose-Driven Board Leadership

OUCAN

Virtual conference, February 20, 2024

Dani Robbins
Director of Governance Strategy, BoardSource

BoardSource

Dani Robbins,
Director of Governance Strategy

30 years experience in nonprofits

13 years as a governance and strategy consultant

1st FT Director and Clinical Professor, Nonprofit Administration, John Carroll University

CEO of 2 Boys & Girls Clubs and 2 DV shelters
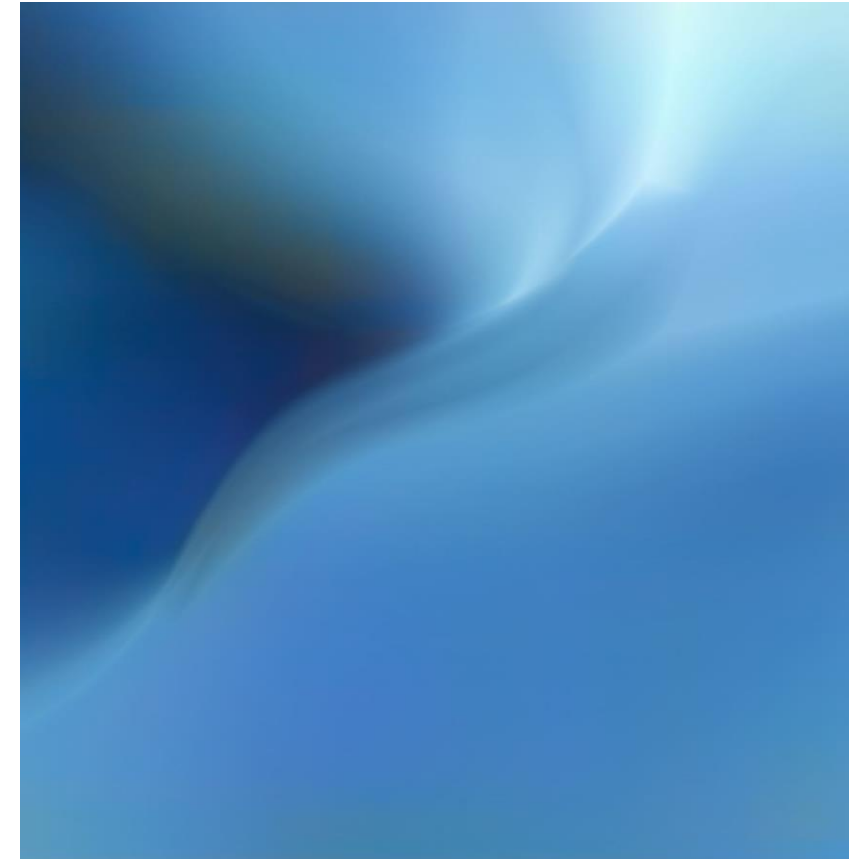
1st director of Women's Center at CWRU

Masters of Public Administration, Cleveland State University

Advanced Leadership Program, UoM/BGCA

Instructor, Glenn College of Public Affairs, OSU

Former Fundraising Coach, Network for Good

Speaker, blogger and author

Questions

To whom is a nonprofit organization accountable?
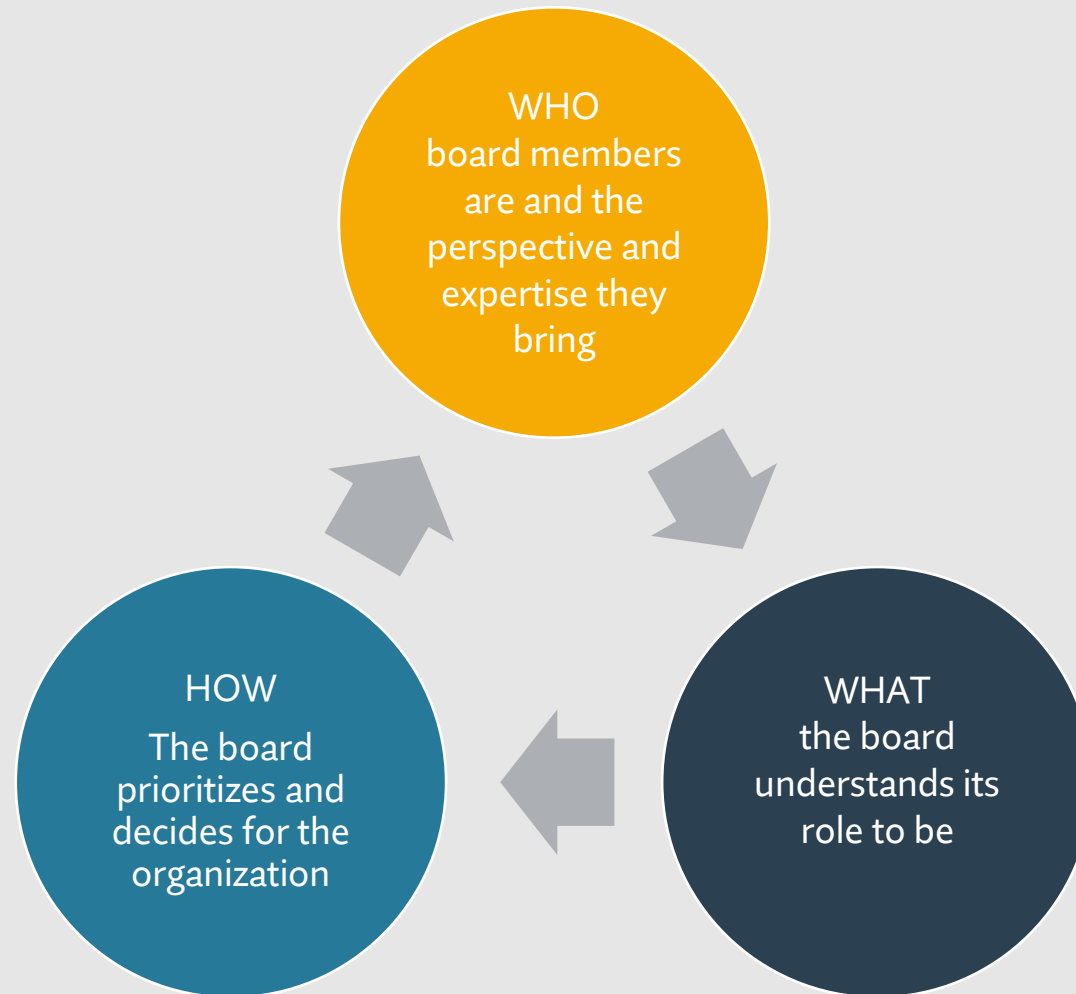
Is that different from whom it serves?

A Question

Which "profile"
of board member
do you see most on the
nonprofit boards
you know well?

Role Understanding is Fundamental

WHO
board members are and the perspective and expertise they bring

WHAT
the board understands its role to be

HOW
The board prioritizes and decides for the organization

BoardSource

The Board's Essential Roles

Setting Direction & Strategy → Ensuring Resources → Providing Oversight

The Board's Essential Roles

Providing Oversight → Ensuring Resources → Setting Direction & Strategy

- Commitment to fulfilling Duties of Care, Loyalty, and Obedience
- Technical skills in financial and legal oversight
- Ability to pay attention to information and processes, but from a distance and without control of execution or implementation

BoardSource

The Board's Essential Roles

Providing Oversight

- Commitment to fulfilling Duties of Care, Loyalty, and Obedience
- Technical skills in financial and legal oversight
- Ability to pay attention to information and processes, but from a distance and without control of execution or implementation

Ensuring Resources

- Understanding of purpose and context to confidently select and support a capable CEO
- Understanding of financial strategy and business model
- Ability to bring resources and connections to the organization through networks

Setting Direction & Strategy

The Board's Essential Roles

Providing Oversight

- Commitment to fulfilling Duties of Care, Loyalty, and Obedience
- Technical skills in financial and legal oversight
- Ability to pay attention to information and processes, but from a distance and without control of execution or implementation

Ensuring Resources

- Understanding of purpose and context to confidently select and support a capable CEO
- Understanding of financial strategy and business model
- Ability to bring resources and connections to the organization through networks

Setting Direction & Strategy

- Commitment to mission and purpose
- Understanding of priority areas of work and communities served
- Cultivated ability to do sensemaking and strategic thinking as a collective

BoardSource

The Board's Essential Roles

Setting Direction & Strategy → Ensuring Resources → Providing Oversight

Safeguarding and Sustaining the Organization

BoardSource

The Board's Essential Roles

Setting Direction & Strategy → Ensuring Resources → Providing Oversight

Leveraging Organizational Assets for Impact

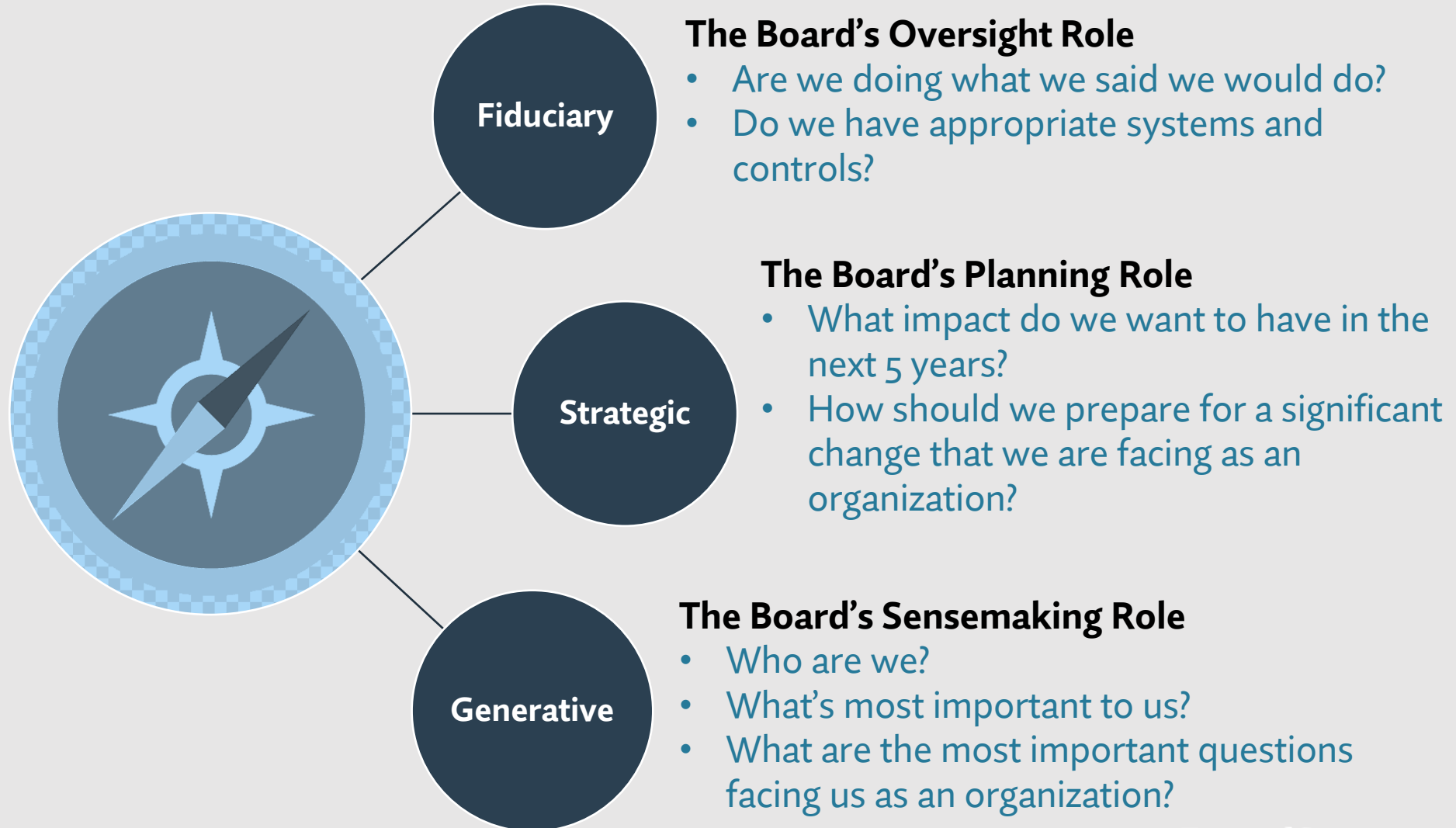BoardSource

The State of Boards Today

- Disconnected from communities/people they serve
  - 49% of chief executives say they don't have the right board members to establish trust in the communities they serve
  - 32% of boards place high priority on "knowledge of community served"

- Ill-informed about the ecosystems in which they operate
  - 25% of boards prioritize "knowledge of the organization's work/field" in board recruitment
  - 11% of boards prioritize "prior or current experience with a similar organization/mission area"

- Lacking in racial and ethnic diversity
  - 78% of board members are white; 19% of boards are entirely white

- Preoccupied with fundraising above all else
  - 70% of chief executives rated as "very important"; higher rating than "thinking strategically as a board," "setting strategic direction"
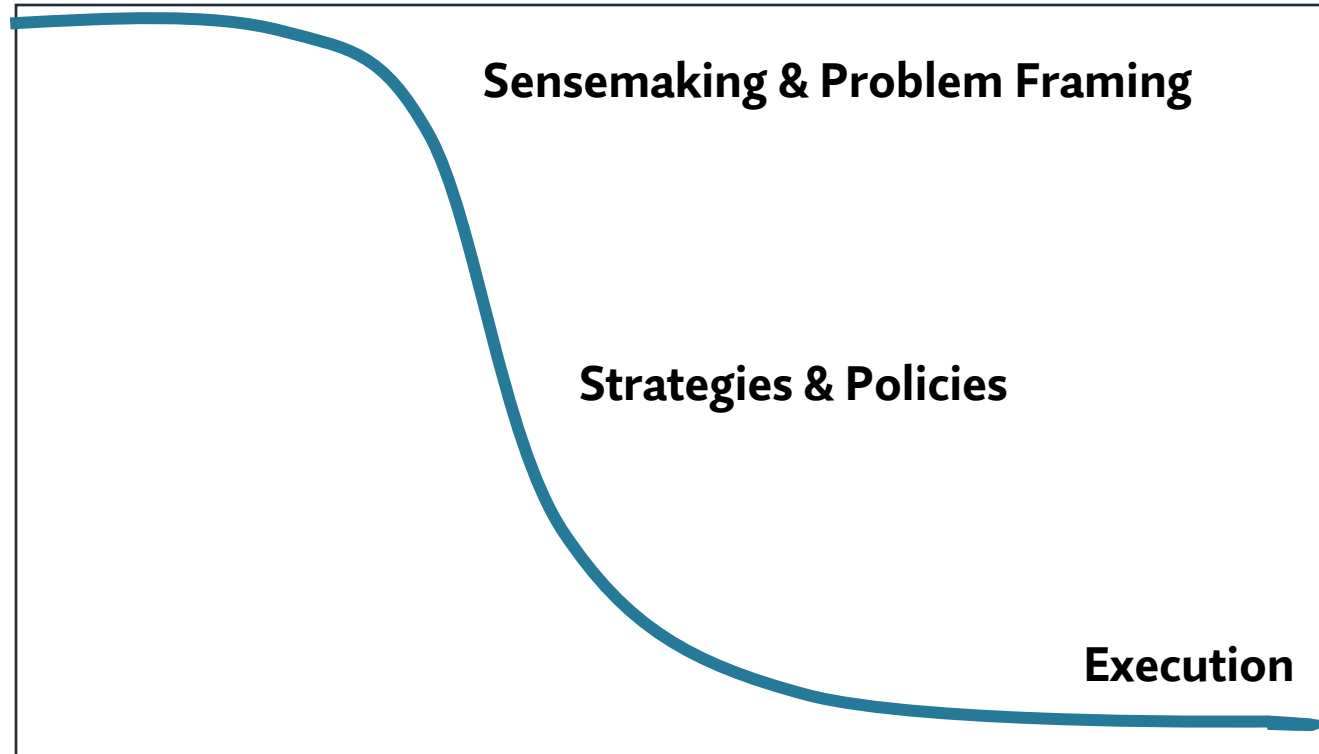
BoardSource

An Opportunity for Reinvention

Three Modes of Governance:
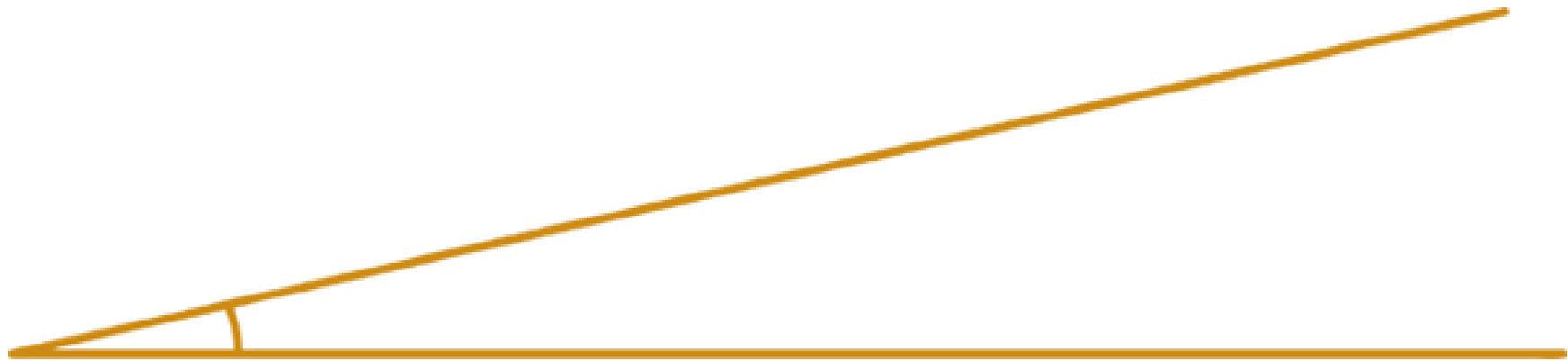*The Governance as Leadership Framework*

Fiduciary

The Board's Oversight Role
- Are we doing what we said we would do?
- Do we have appropriate systems and controls?

Strategic

The Board's Planning Role
- What impact do we want to have in the next 5 years?
- How should we prepare for a significant change that we are facing as an organization?

Generative

The Board's Sensemaking Role
- Who are we?
- What's most important to us?
- What are the most important questions facing us as an organization?

BoardSource

The Generative Curve:
The Power of Early-Stage Sensemaking

Sensemaking & Problem Framing

Strategies & Policies

Execution

The Power of A Different Angle

A New Framework for The Board's Role:
Purpose-Driven Board Leadership

> Focuses the board on organizational purpose, versus organization itself

> Centers the board's role in strategy and direction-setting

> Identifies principles and mindsets that are integral to embodying that strategic role

> Envisions a new way of being for boards – role, orientation, and composition

BoardSource

What is Your Organization's Purpose?

➤ **What problem are we trying to solve or what new reality are we trying to create?**

➤ **Why were we founded and why do we exist today?**

➤ **What is "the why" for your organization's work?**

The Four Principles of Purpose-Driven Board Leadership

Purpose before organization

A Shared Sense of Purpose:
What is the Social Change that We Seek?

BoardSource
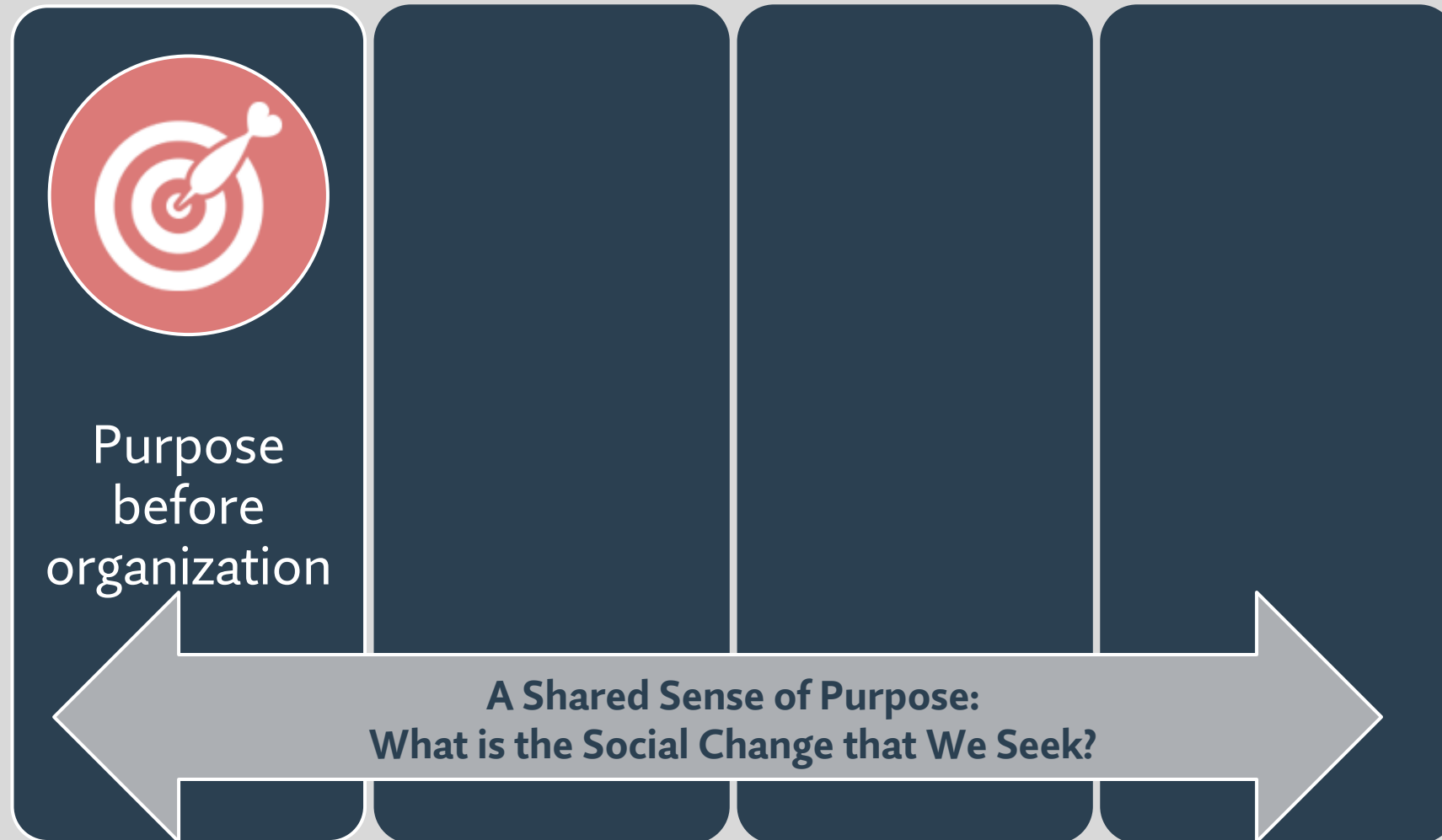
Principle #1: Purpose before Organization

Definition: Prioritizing the organization's purpose, versus the organization itself.

A reframe of "duty of loyalty." Moves the organization away from viewing itself as the "center of its own gravity;" focuses the organization on re-focusing on its purpose and how it can best steward its resources in service to its purpose

"Purpose before Organization" scenario: The March of Dimes' original mission was to eliminate polio. When a polio vaccine became available, they had three choices: 1. They could've fought the vaccine to sustain the organization, in conflict with the mission. 2. They could've gone out of business in alignment with the mission. 3. They could have expanded to include other birth defects, changed their mission, and advanced their purpose, which they did.

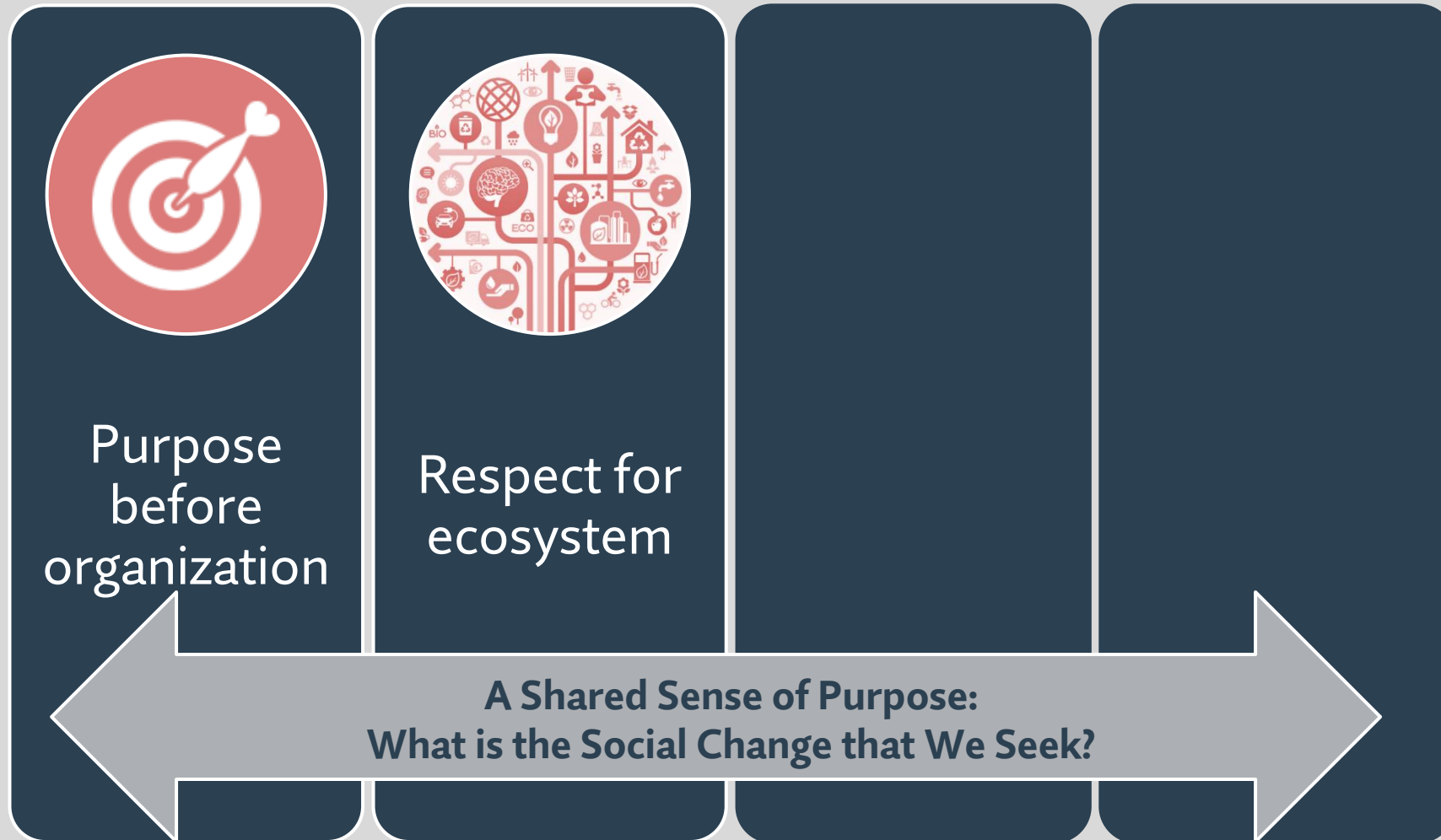BoardSource

Principle #1: Purpose before Organization

What's best for our organization?

What's best for the desired social outcome we seek?

The Four Principles of Purpose-Driven Board Leadership

Purpose before organization

Respect for ecosystem

A Shared Sense of Purpose:
What is the Social Change that We Seek?

Principle #2: Respect for Ecosystem

Definition: Acknowledgement that the organization's actions can positively or negatively impact its surrounding ecosystem, and a commitment to being a respectful and responsible ecosystem player.

Requires boards to:

Have knowledge and perspective of the organization's role as part of a collection of organizations working to address societal challenges and impacts.

Consider the impact of their actions on the ecosystem as part of decision-making processes.

"Respect for Ecosystem" scenario: consider the case of a housing development organization choosing to sell its apartment building that provides affordable housing. It could sell to the highest bidder, knowing that the developer wants to offer high-end condos. For a lower bid, it could sell it to another housing development organization that has promised to provide housing and service to the families currently there or others who met the same criteria. A traditional board might take the highest bid, likely as aligned with their financial policies. A purpose-driven board would sell to the other housing organizations as aligned with their values and the collective purpose of their eco-system.

Principle #2: Respect for Ecosystem
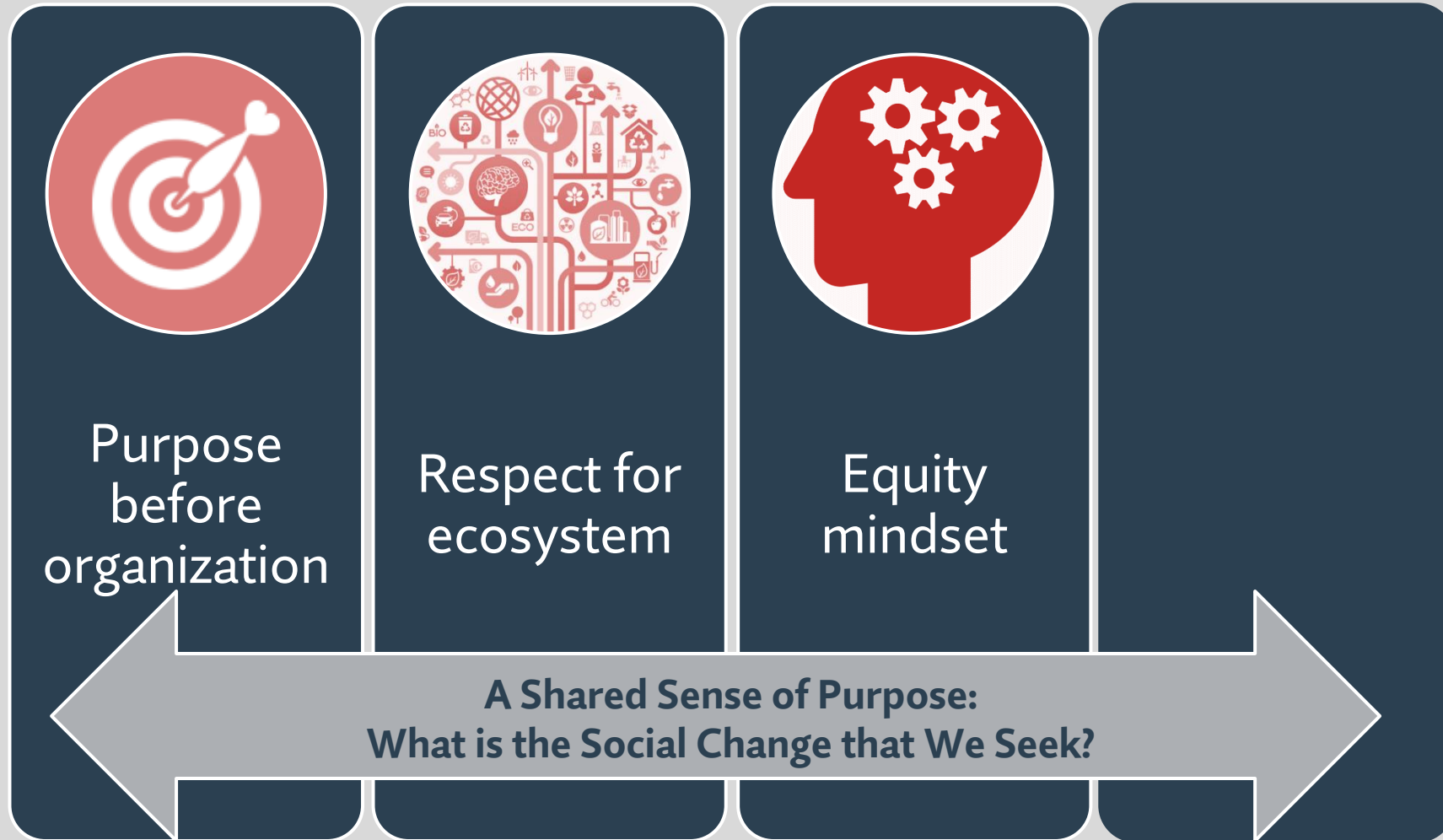
How would this impact our organization?

How would this impact all of the players and dynamics within our ecosystem? Will it help us – as an ecosystem – do the most good?

Reflection: How would that reframing change the work of your board?

Purpose before organization

Respect for ecosystem

The Four Principles of Purpose-Driven Board Leadership

Purpose before organization

Respect for ecosystem

Equity mindset

A Shared Sense of Purpose:
What is the Social Change that We Seek?

BoardSource

Principle #3: Equity Mindset

<u>Definition</u>: A commitment to advancing equitable outcomes, and interrogating and avoiding the ways in which the organization's strategies and work may reinforce systemic inequities.

Must be applied across a number of areas, including:

An equitable allocation of organizational resources

Programmatic oversight that can capture disparate impacts based on race and other demographics

Diverse and inclusive board composition

<u>"Equity Mindset" scenario</u>: an organization had a very diverse staff in the aggregate, but when you looked at individual roles, the leadership is entirely white and the direct service staff is primarily Black. The board interrogated the hiring practices to ensure a more diverse pool of candidates for all levels of leadership and created procedures, plans, and policies to avoid potential glass cliff situations for senior leaders.
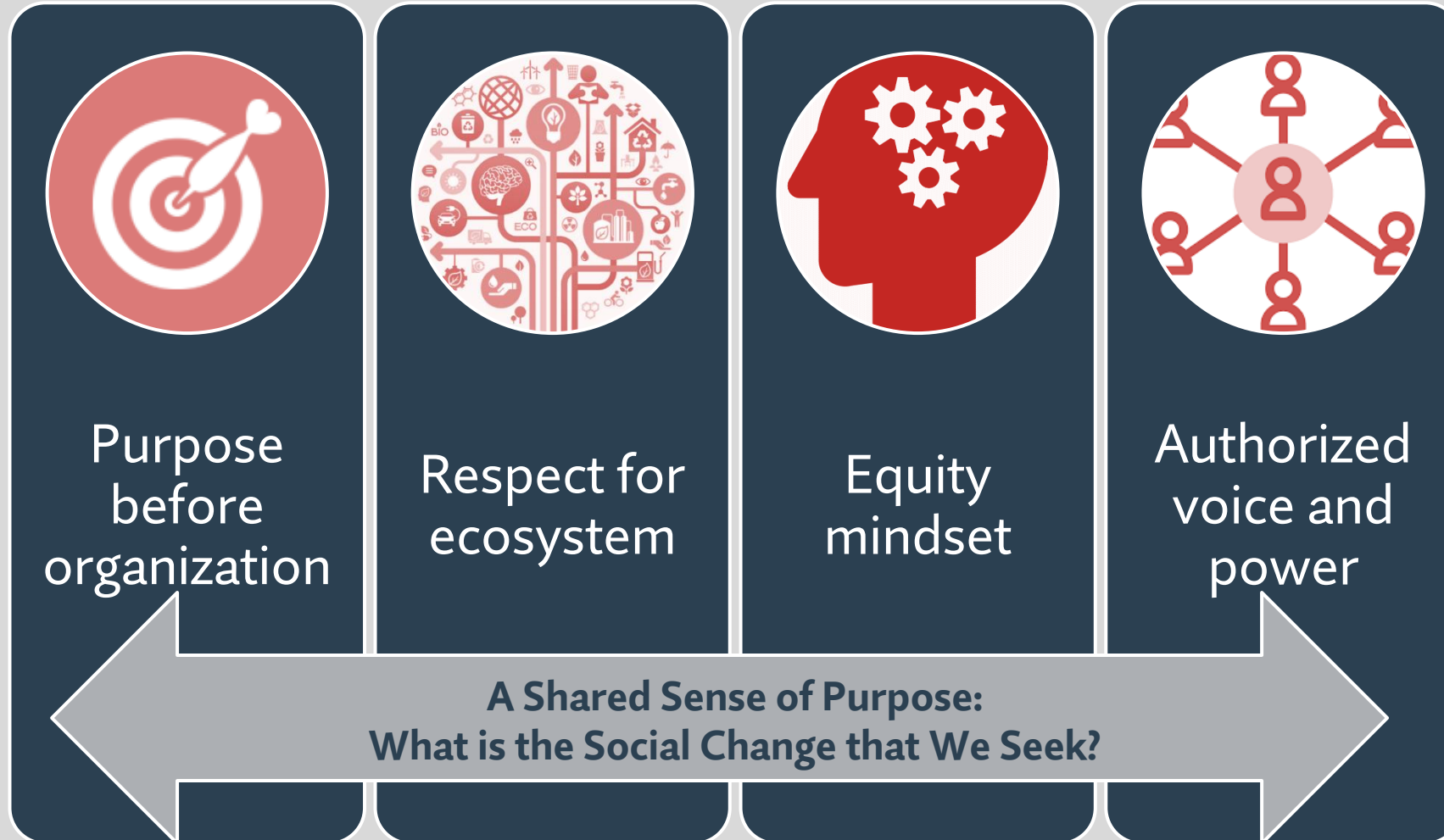
BoardSource

Principle #3: Equity Mindset

How will our strategy advance our mission?

How could our strategy reinforce systemic inequities, and what are we willing to do to avoid it?

BoardSource

The Four Principles of Purpose-Driven Board Leadership

Purpose before organization

Respect for ecosystem

Equity mindset

Authorized voice and power

A Shared Sense of Purpose:
What is the Social Change that We Seek?

BoardSource

Principle #4: Authorized Voice & Power

Definition: A recognition that organizational power and voice must be authorized by those most impacted by the organization's work.

Organizational decisions should be made within the context of real understanding of community assets, needs, preferences, and aspirations.

Requirement to listen to community needs and experiences – and to share power by inviting those individuals with relevant lived experiences onto the board

"Authorized Voice and Power" scenario: A primarily white, exclusively upper and middle-class board led an organization serving Hispanic/Latino children in a neighborhood in which none of them lived. Board meetings were held in the law firm of the treasurer. The chair began to question what their deliberations were missing and if their lack of community knowledge impacted the choices they saw and the ones they selected. He began to consider if different conversations would be held if the board included members of the community served. He put together a committee to find out. That committee later recommended changes to their board recruitment process to ensure a more diverse pool of candidates, including former service recipients as well as neighborhood leaders, and a policy for the board to ensure board members of color are included and embraced in committee leadership and as officers.

BoardSource

Principle #4: Authorized Voice & Power

What do we* think is best?

*without intentional reflection on how who "we" are informs our perspective

Are we as a board populated in a way that ensures our power is held by the community impacted by the org's work? Are we doing all we can to understand what our programmatic stakeholders tell us is most important?

BoardSource

A New Orientation to Board Service

Traditional Framing of Board's Role

Board service operates in service to an organization that seeks to advance the public good. The board is primarily responsible for sustaining and supporting the organization and its ability to exist in service to its mission.
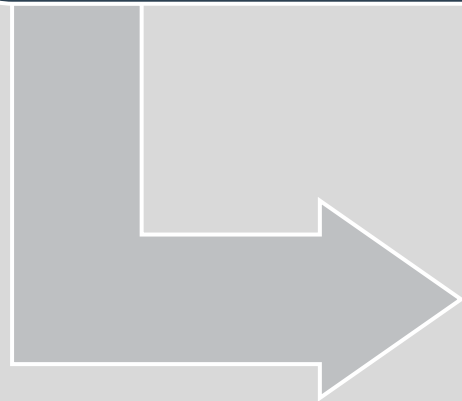
Purpose-Driven Board Leadership

Board service operates in service to the public good. The board is primarily responsible for stewarding organizational capacities in a way that maximizes positive impact in service to that core purpose or cause.

Reflecting on Your Board

- What aspects of the board's role drive your board's recruitment strategy?

- What aspect of the board's role drive your board meeting agendas?

- If you were to define the board's role based on who your board is and where it spends its time, what would that definition look like?

- What does that bring up for you in terms of insights and reflections?

BoardSource

Reframing for Purpose- reframe it

What have we accomplished?

How do we grow our budget?

Who are our competitors?

How do we get more program participants?

What skills and expertise do we need on the board?

Should we expand our programs into a new area?

Where do we want to be in five years?

Reframing for Purpose

What have we accomplished?

- What did we make possible as a result of our commitment to purpose and partnership with others?

How do we grow our budget

Who are our competitors?

How do we get more program participants?

What skills and expertise do we need on the board?

Should we expand our programs into a new area?

Where do we want to be in five years?

BoardSource

Reframing for Purpose

Question	Reframed
What have we accomplished?	• What did we make possible as a result of our commitment to purpose and partnership with others?
How do we grow our budget	• How do we grow our impact, and what will it take from us and others?
Who are our competitors?	
How do we get more program participants?	
What skills and expertise do we need on the board?	
Should we expand our programs into a new area?	
Where do we want to be in five years?	

BoardSource

Reframing for Purpose

What have we accomplished?	• What did we make possible as a result of our commitment to purpose and partnership with others?
How do we grow our budget	• How do we grow our impact, and what will it take from us and others?
Who are our competitors?	• Who is operating within our ecosystem, and how does our work interact and complement each other?
How do we get more program participants?	
What skills and expertise do we need on the board?	
Should we expand our programs into a new area?	
Where do we want to be in five years?	

BoardSource

Reframing for Purpose

What have we accomplished?	• What did we make possible as a result of our commitment to purpose and partnership with others?
How do we grow our budget	• How do we grow our impact, and what will it take from us and others?
Who are our competitors?	• Who is operating within our ecosystem, and how does our work interact and complement each other?
How do we get more program participants?	• How well do we understand our community's needs, and what evidence do we have of that? If we were to disaggregate programmatic evaluations or feedback loops by race or other demographics, what would they reveal?
What skills and expertise do we need on the board?	
Should we expand our programs into a new area?	
Where do we want to be in five years?	

Reframing for Purpose

What have we accomplished?	• What did we make possible as a result of our commitment to purpose and partnership with others?
How do we grow our budget	• How do we grow our impact, and what will it take from us and others?
Who are our competitors?	• Who is operating within our ecosystem, and how does our work interact and complement each other?
How do we get more program participants?	• How well do we understand our community's needs, and what evidence do we have of that? If we were to disaggregate programmatic evaluations or feedback loops by race or other demographics, what would they reveal?
What skills and expertise do we need on the board?	• Who do we need to be as a leadership body to earn the trust, confidence, and respect of those we seek to partner with and serve?
Should we expand our programs into a new area?	
Where do we want to be in five years?	

Reframing for Purpose

What have we accomplished?

- What did we make possible as a result of our commitment to purpose and partnership with others?

How do we grow our budget

- How do we grow our impact, and what will it take from us and others?

Who are our competitors?

- Who is operating within our ecosystem, and how does our work interact and complement each other?

How do we get more program participants?

- How well do we understand our community's needs, and what evidence do we have of that? If we were to disaggregate programmatic evaluations or feedback loops by race or other demographics, what would they reveal?

What skills and expertise do we need on the board?

- Who do we need to be as a leadership body to earn the trust, confidence, and respect of those we seek to partner with and serve?

Should we expand our programs into a new area?

- Are we the best organization to do this? How do we know? Are there organizations that are doing good work in this area that we will disrupt?

Where do we want to be in five years?

Reframing for Purpose

What have we accomplished?	• What did we make possible as a result of our commitment to purpose and partnership with others?
How do we grow our budget	• How do we grow our impact, and what will it take from us and others?
Who are our competitors?	• Who is operating within our ecosystem, and how does our work interact and complement each other?
How do we get more program participants?	• How well do we understand our community's needs, and what evidence do we have of that? If we were to disaggregate programmatic evaluations or feedback loops by race or other demographics, what would they reveal?
What skills and expertise do we need on the board?	• Who do we need to be as a leadership body to earn the trust, confidence, and respect of those we seek to partner with and serve?
Should we expand our programs into a new area?	• Are we the best organization to do this? How do we know? Are there organizations that are doing good work in this area that we will disrupt?
Where do we want to be in five years?	• Where do we want our community or cause to be in five years? What will it take from ourselves and others to get there?

Rethinking Board Recruitment

Reframing Board Recruitment

Needed from All

- Commitment to mission, purpose, and the people and communities served by the organization
- Reputational capital that cultivates trust amongst community stakeholders
- Willingness to dedicate time and energy to fulfill responsibilities and commitments
- Relational skills to operate effectively in the collective

Reframing Board Recruitment

Needed from All

- Commitment to mission, purpose, and the people and communities served by the organization
- Reputational capital that cultivates trust amongst community stakeholders
- Willingness to dedicate time and energy to fulfill responsibilities and commitments
- Relational skills to operate effectively in the collective

Needed from Most

- Grounded insights and perspectives about the work the organization does and the people and communities it serves
- Deep understanding of the organization's programmatic and business model
- Understanding of the ecosystems in which the organization is operating
- Ability to connect the organization with individuals, organizations, and communities of influence (policymakers, programmatic partners, community-based leaders, and donors)

Reframing Board Recruitment

Needed from All

- Commitment to mission, purpose, and the people and communities served by the organization
- Reputational capital that cultivates trust amongst community stakeholders
- Willingness to dedicate time and energy to fulfill responsibilities and commitments
- Relational skills to operate effectively in the collective

Needed from Most

- Grounded insights and perspectives about the work the organization does and the people and communities it serves
- Deep understanding of the organization's programmatic and business model
- Understanding of the ecosystems in which the organization is operating
- Ability to connect the organization with individuals, organizations, and communities of influence (policymakers, programmatic partners, community-based leaders, and donors)

Needed from Some

- Ability to provide specialized expertise in areas of relevance to legal, financial, and employment oversight
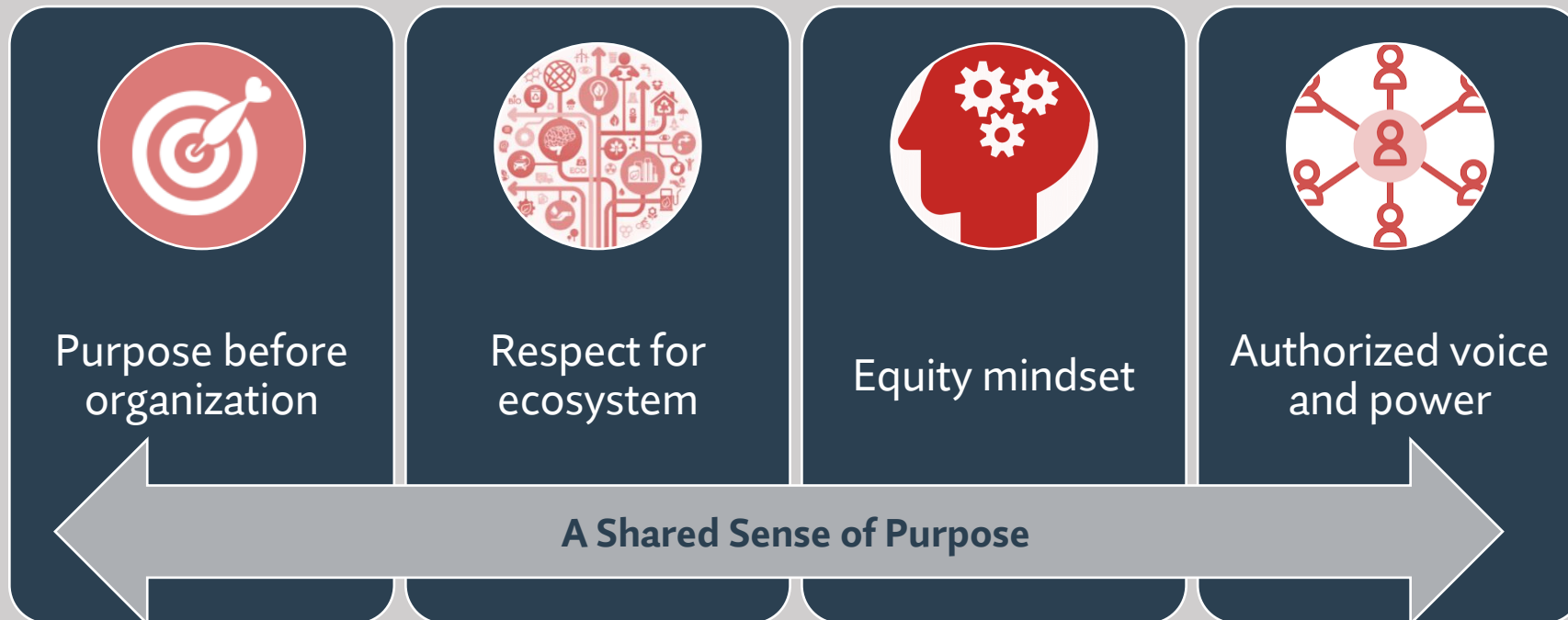- Ability to connect the organization with big donors/funders

Reflection and Discussion

➤ What resonated with you?

➤ Where do you have questions, concerns, or pushback?

➤ About what would you like to know more?

Purpose before organization	Respect for ecosystem	Equity mindset	Authorized voice and power

A Shared Sense of Purpose

BoardSource

Some questions to consider:

➢ Does your board have the perspectives, expertise, connections, and access needed to operate in a purpose-driven manner across all three modes of governance?

➢ Does your board understand its purpose and role in relationship to management?

➢ Does your board structure their time together to allow for purpose-driven, meaningful engagement in important work?

➢ Does your board's culture encourage thoughtful, purpose-driven deliberation that is inclusive of all?

BoardSource

Individual Reflection & Planning

- What aspects of Purpose-Driven Board Leadership will feel natural to your board?

- What aspects of Purpose-Driven Board Leadership might the board resist?

- What are you committed to trying first?

Thank you for your time and your leadership!

- Do you have any final questions?
- Points you wanted to make but didn't get a chance?
- Feedback for me?

- When you try it, please report back:
  - Phone: 202-349-2500
  - Dani.Robbins@boardsource.org

- Resources :
  - www.boardsource.org