## Rotman



Optimizing the dynamics between Management and the Board is essential to achieving better outcomes.

## **JANET YALE**

President and CEO, Arthritis Society Former Executive VP, Telus

A fresh perspective on optimizing management-board effectiveness.

- Understand management-board dynamics: clearly define roles and accountabilities of both management and the board
- → Optimize interactions with board members: develop strategies to effectively communicate and inform both inside and outside of board meetings
- Improve organizational decision-making: learn how to bridge the information gap between management and the board

FORMAT	APPLICATION DEADLINE	COURSE DATES
Online	October 26, 2021	November 22-25, 2021 (Half-days)

BY Erin Kang and Linda Mollenhauer

## Redesigning governance

Non-profits must ask more challenging, braver questions about how boards should operate if they want boards that work for them

THE PANDEMIC and the shifting societal and economic forces it has unleashed are forcing today's not-for-profit organizations to work differently and stretch their resources, creating an environment that is both challenging and fertile for innovation.

The leadership of the Ontario Nonprofit Network and Ignite NPS, a Toronto-based foundation helping NFPs to get out in front of change, believe it's time to develop new approaches to governance for the sector, and we are collaborating on a project called "Reimagining Governance." In the midst of the Covid-19 pandemic, we asked not-for-profit organizations across Ontario to participate in learning labs about governance. Our invitation was direct: "Is your non-profit willing to invest four months of board and management time to experiment with governance innovation and shake up the status quo?"

We held our breath, expecting only a handful of responses, and were pleasantly surprised by how many organizations were up for the challenge.

But maybe it shouldn't be a surprise. Transformation is everywhere. During the pandemic, non-profit leaders have had to be dexterous and resilient; there are many lessons to carry forward into governance. Our recent research has found that while there aren't major new forces shaping governance, existing trends are accelerating – and their effects are game-changing.

Disruption offers the potential for innovation, starting with the idea that governance does not have to be confined to the boardroom.

"There's a huge opportunity to look at governance through a different lens than we've used for decades," says Cathy Taylor, executive director of the Ontario Nonprofit Network. "We've typically viewed governance as a simple system that starts and stops with the performance of the board, believing that the board alone has responsibility for governance. But an organization's governance is actually a complex system, with lots of interconnected parts and different players. Every organization's system will be different based on their unique circumstances. What's needed is an approach that helps non-profits explore that system, and intentionally designs governance that works for them."

As part of Reimagining Governance, labs have been launched with nine non-profits to experiment with a "transformative design process" that aims to do just that. So, what valuable lessons have emerged from these labs?

One of the biggest "aha!" moments is that there is space to change governance for the better. Though every non-profit's governance



must meet legislative requirements, expectations are less onerous than many believe.

Another insight is that governance leaders need to be asking more challenging, and braver questions about their governance design. One organization played with the idea of what areas of expertise would be needed if there were only three board members, discovering that their current board composition doesn't make sense. Another has challenged the idea that board recruitment strategies alone can authentically address equity and create an "optimum" diversity of governance perspectives, knowledge and experience. This leads to the question of how to open up design so people beyond the board can participate. As Reimagining Governance prepares to share its findings later this year, one thing is clear: People are open to change, and change is possible. Many doors open when we ask how the board can be the host of governance, rather than the home of governance. DJ

ERIN KANG of the Ontario Nonprofit Network and LINDA MOLLENHAUER of Ignite NPS are the co-leads of Reimagining Governance. Not-for-profit organizations have a chance to design a system of governance that's tailored to their own needs.