



Building Highly Effective Boards

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Capacity Advisor Governance and Leadership

ASAP II, IntraHealth International

ASAPII

ACCELERATING SUPPORT TO ADVANCED LOCAL PARTNERS II

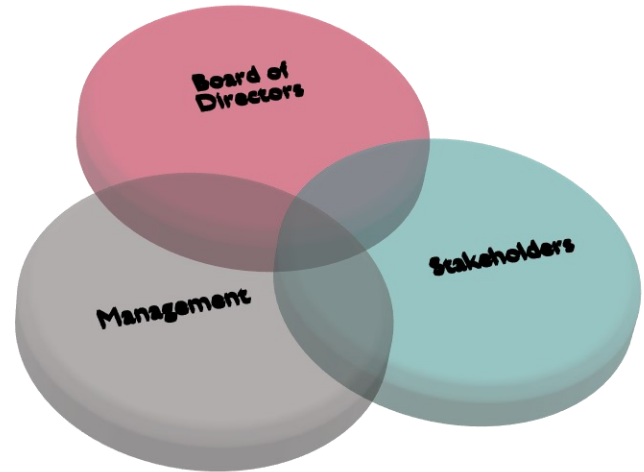
Objectives of the workshop

To:

- Explore some big themes on factors that create and sustain high performing board leadership
- Create a safe space to reflect on our own practices and perspectives as leaders of teams
- Acquire some new board leadership frameworks and tools to use
- Identify personal and collective board leadership actions that you may want to take

What is Board Governance

- the leadership of decision making, **culture**, controls and **accountability** from the boardroom and throughout the organization....to achieve consistently **great outcomes** .
- In reality governance is really about happy, capable people delivering great outcomes and making the world a better place



There are many models and approaches for thinking and guiding high performing boards



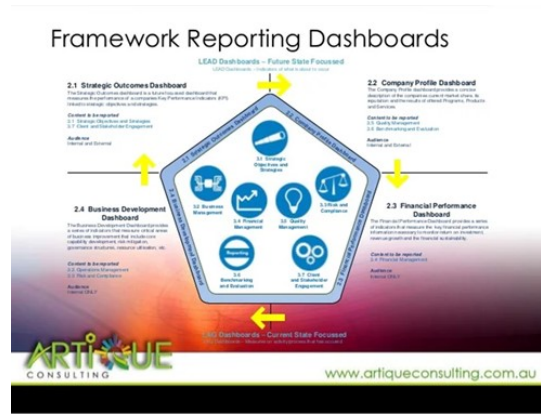
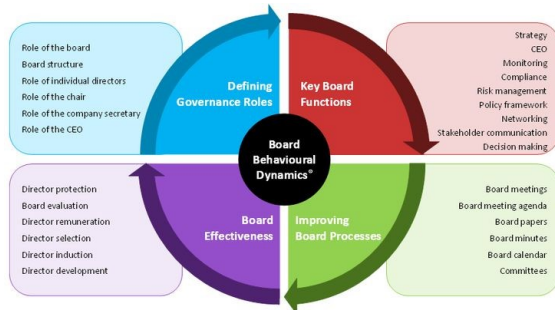
www2.deloitte.com



What is a governance framework: Diligent.com:



abf101@advisoryboardcentre.com:



THE ICEBERG MODEL

Use this tool to help you think more systemically!



EVENTS

What is happening?

PATTERNS OF BEHAVIOR

What trends are there over time?

SYSTEMS STRUCTURE

How are the parts related?

What influences the patterns?

MENTAL MODELS

What values, assumptions, + beliefs shape the system?

Increasing Leverage



Agenda

- 08.00 Welcome and aims for the workshop
NUPAS Assessments
Board Governance Challenges:
How our mindset affects the way we lead teams
Q&A
- 10.00 Coffee Break**
- 10.30 Building effective board teams
- Building a sense of belonging
 - Creating shared purpose
 - Enabling psychological safety
 - Igniting energy for board change
 - Reflection, commitments and action planning
- 11.30 Q&A

ASAP NUPAS Plus Assessments for Local Partners

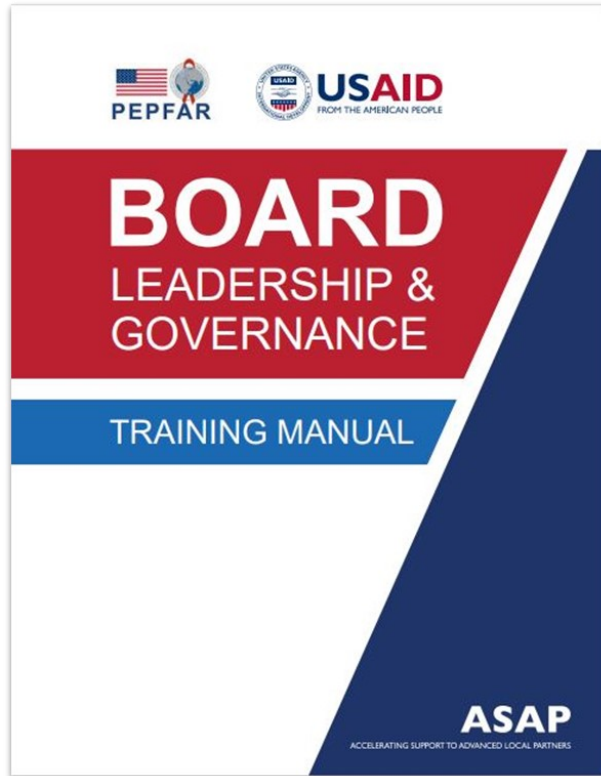
Board governance areas

- Legal Requirements – compliance with legal requirements, licences, laws
- Organizational Structure: Constitution, Charter
- Governance – emphasis on governance
- Control environment – adequate safeguards
- Organizational Sustainability

ASAP NUPAS Plus Assessments for Local Partners

Board governance areas

- Governance Board
- Board Constitution
- Board structure and committees
- Board member declaration of conflict of interest
- Organogram
- Board Schedule/Minutes of meetings
- Strategic plan with clear roadmap
- Financial Management System
- Risk Management: Internal Control Systems
- Board and management succession planning



<https://www.intrahealth.org/projects/accelerating-support-advanced-local-partners-asap>

NUPAS Plus Assessments

Key highlights on governance and leadership

- The people who set up the organization maintain disproportionate power and influence
- Token board presence
- Centralization of power no delegation and management support
- Senior management struggle to find the right balance and this affects performance
- Poor people participation by important people
- Organizations running in permanent crisis mode etc

Board issues with setting direction

- Board does not put purpose first
- Organizational direction is unclear
- Board and Executive Director not aligned
- Executive director has more power than the board
- One or two members dominate the board
- Wrong people at the board table
- Board not measuring what it does
- Meetings do not add no value
- No celebration of what is working

Board culture problems

- Chair too dominant and too much influence on decisions
- Contributions stifled
- Chair/some members have too much influence on decisions
- Board members
 - feel dismissed and abandon their responsibilities
 - lack commitment
 - not valued for the expertise they bring to the board
- No information sharing
- Founder/Executive Director – power base

Characteristics of a Bad Governance Board

- A non-independent chair;
- Most of the board of directors are **not independent**,
- Presence of considerable conflicts of interest
- Most members are all pals or **old school friends**;
- No ED **key performance indicators**
- **No formal ED annual** review process;
- Board spends more time **on operations** than on **strategic thinking and** development;
- **No agreement** between the board and management on the organisation's **risk appetite**;

There are two types of board teams

Board one mind set

Is engaging and positive .

Has a leadership presence

Helps set the expectations and roadmap upfront

Has a clear focus

Demonstrable values of success

Provides advice, energy, resources, and inspiration.

Board two mindset

Disinterested or dysfunctional

Distorted power dynamics – e.g founder and friends are in charge

Direction of the organization is fuzzy

Eye not always on resources: human, financial etc

Approaches do not fully reflect the needs and solutions that the organization needs

Building belonging:

a critical task for leaders of teams

How are you creating a sense of **belonging** so that everyone is seen and valued for their own **unique and authentic selves**?

Belonging counts more than diversity (the facts) or inclusion (a choice)

When we **feel** we belong, we thrive, and so do the people around us.

A sense of belonging moves us away from a view of the world that is “us” versus “them” to one where everyone belongs and can play a part



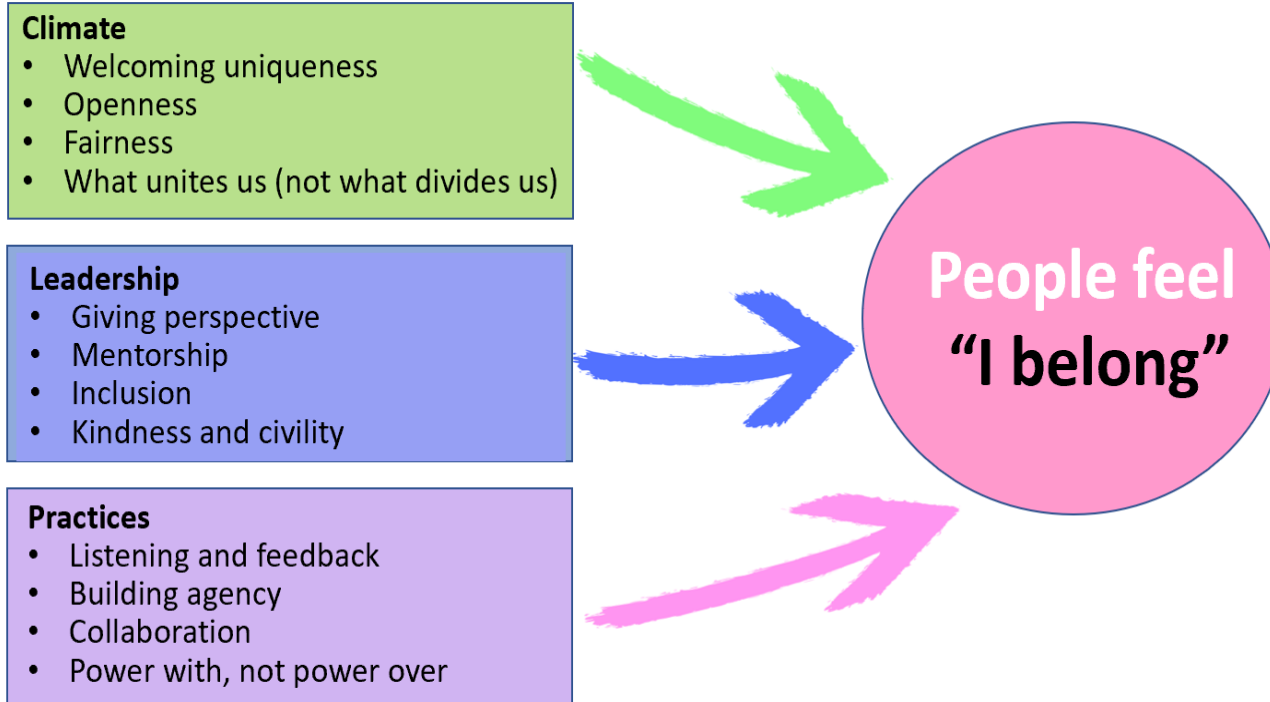
Anita Sands <https://anitasands.medium.com/diversity-and-inclusion-arent-what-matter-belonging-is-what-counts-4a75bf6565b5>

Belonging

A **feeling** of being accepted, included, respected, listened to and fully involved by those around you: in the board team, organization and any improvement initiative

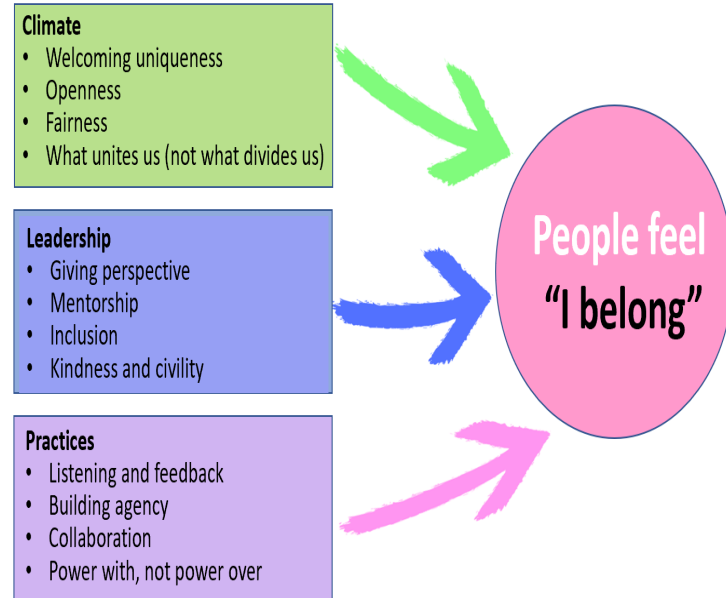


How do we build belonging as a board?



Board questioning and reflecting on

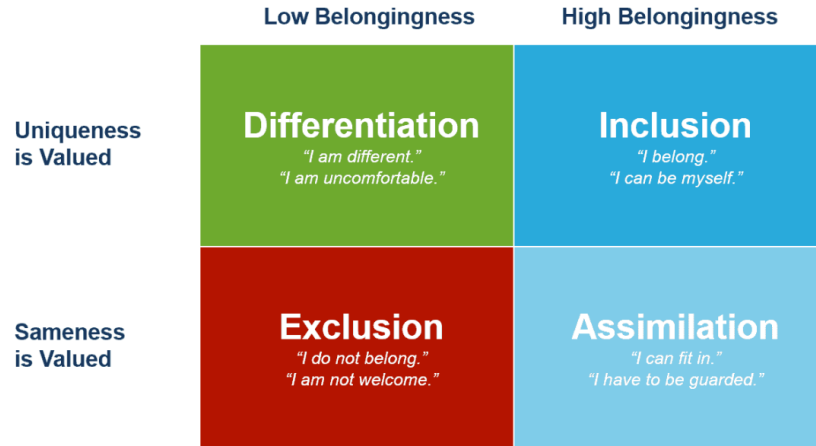
- To what extent are we **engaging** and allowing the board members, executive director and senior management to speak up and **participate** fully in decisions?
- Are we making the space to use the talent of each board member to support e.g. management, HR?
- Are we asking people if they *feel* they are included, *feel* they have power over the committee roles they are allocated, *feel* they are in the know, and *feel* that their ideas are valued?



<https://joshbersin.com/2020/08/why-belonging-is-a-big-issue-in-business-today/>

What is our board composition based on?

A Framework For Belonging



Inclusion and Diversity in Work Groups:
A Review and Model for Future Research, Lynn Shore.

Recruiting people you feel comfortable with creates a “sameness” culture without realizing it.

Board Effectiveness: is about adding value

- By being lean, transparent and ethical
- Focuses on tackling operational challenges complete the
- Does it is in ways that complement the big picture vision
- Always seeks the best outcomes for stakeholders

Starts with having a terrific Board Chair

Sets the boardroom tone....

- Integrity
- Ability to influence others, without dominating
- Personal Strength
- Clear vision and passion for board work
- Intellect and experience
- Decisiveness
- Ability to chair meetings
- Coaching skills
- Emotional Intelligence

Chair and leadership combined even better!

Creates a sense of **belonging** so that everyone is seen and valued for their own **unique and authentic selves**

When we **feel** we belong, we thrive, and so do the people around us.



Anita Sands <https://anitasands.medium.com/diversity-and-inclusion-arent-what-matter-belonging-is-what-counts-4a75bf6565b5>

Sharpening your governance

- Bringing in **quality** board members
- Having the **right** conversations
- Doing the right **thinking**
- Focusing on the right **issues**
- Making difficult decisions based on the **best information**
- Challenging and supporting the executive director in the right way
- Letting go of inactive and inexperienced members

It is about having the right people on the bus and getting

“from Good to Great” Jim Collins

Use of a Board Skills Matrix

- gives assurance that the board members has the best-qualified and most diverse composition possible
- Right board members with right skills set the tone and culture of the organization

Technical skills/experience	Director A	Director B	Director C	Director D	Director E	Director F	Director G
Accounting skills							
Financial skills							
Legal skills							
Relevant industry experience							
Marketing experience							
Governance experience							
Human Resources							
Technology							
Service Operations							
Risk Management							
Director Capabilities	Director A	Director B	Director C	Director D	Director E	Director F	Director G
Ability to assimilate & synthesize complex information							
Capacity to develop and deliver a logical argument							
Innovative thinker							
Leadership ability							
Interpersonal and relationship management skills							
Time availability							
Gender Female							
Gender Male							
Personal Attributes	Director A	Director B	Director C	Director D	Director E	Director F	Director G
Honesty and integrity							
High ethical standards							
Network of relevant contacts							
Emotional Intelligence							

Recruiting board members

structured induction for new members

- Role description and contact details of the Board Chair
- Covers who is responsible for what
- Board Charter, Code of Conduct, Constitution a must know!
- Board meeting schedule especially board reserved matters
- Confidentiality, Delegation of Authority and key policies,
- Discussion of risks the local partner is facing
- Policies, protocols and procedures

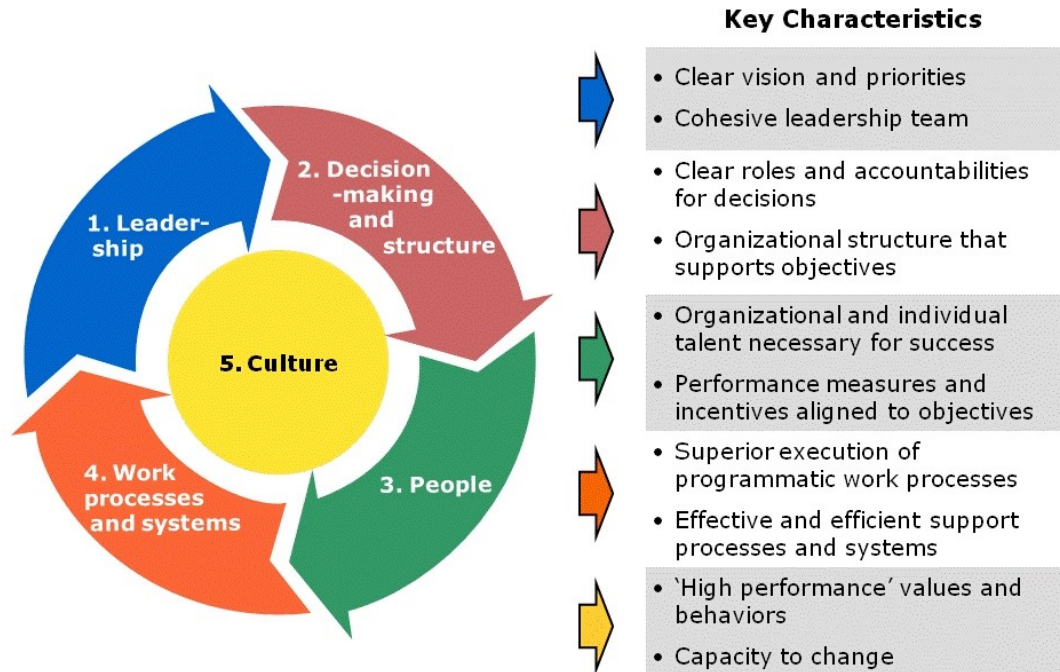
Presence of a good board culture in the boardroom

Chair leads in inspiring members

- Allows relevant topics to be discussed by the board
- Determines the agenda prior to meeting
- Covers board strategic oversight areas
- Ensures productive discussions are facilitated
- Allows members to ask questions
- Board members allocated enough time to contribute
- Chair enables the board to make decisions

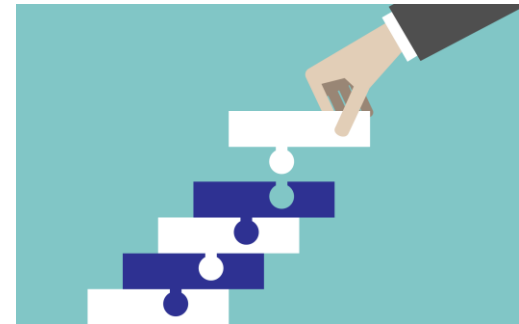
Importance of organisational culture to effective governance and leadership

Exhibit 1: Strong organizations do five things well



Board Maturity Model: asking difficult questions: assessing where are you as a board

- Assess current governance capabilities
- Assess effectiveness of the board as a whole and individual committees
- Identify the effectiveness of current LIP governance program
- Identify potential improvement opportunities for each governance program
- Facilitate more specific conversations with boards, committees and executives



Board Maturity Model: ask yourself difficult questions assess where are you as a board

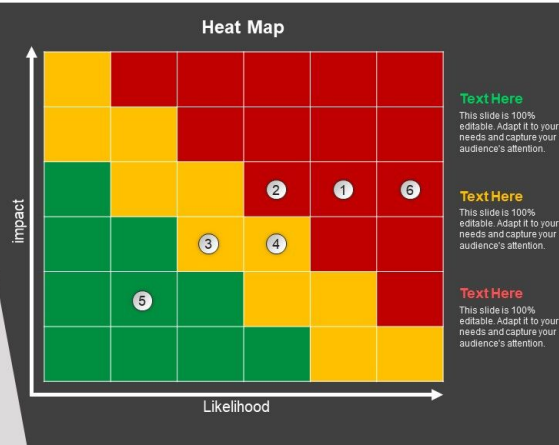
	1 Forming: Ad hoc or no practices	2 Developing: Informal practices	3 Progressing Good practices	4 Established/Advanced Strong practices	5 Innovating Best practices
Constitution or Board Charter	No formal constitution or board charter	Informal governance documentation	Established governance documentation, example, constitution, by-laws, policies and procedures	Effective and complete governance documentation	Comprehensive set up in LIP including ongoing review and board self-assessment
Governance and Accountability	Awareness of the governance and accountability issues; but approaches have not been developed to address them yet"	Presence of recognition of the key governance and accountability issues; and some areas have been identified to address them"	LIP is taking steps to address key governance and accountability issues; and is showing signs of practical application	LIP has well developed plans that address the key governance and accountability issues; evidence of monitoring processes and continuous improvement "	"- Evidence of leadership and governance practice; - There is a demonstration of a commitment to long term sustainable improvement"
Leadership or governance committees/structure	Board not established governance structure/ committees	Some committees set up but there is absence of some fundamental ones	Established all relevant Board committees and implementing processes	LIP reviewed its governance main systems and committee structures to ensure they are fit for the LIP purpose	Committees functions have been reviewed and are working effectively , chaired by an appropriately skilled Board member
Board Member involvement	No Board Member involvement	Limited member involvement beyond voluntary leadership	Members involved in representation, with formal nomination, reappointment and election procedures Members contribute to strategic development	Extensive committee structure with formal Terms of Reference	Board and Committee performance review structure in place

Effective board.....

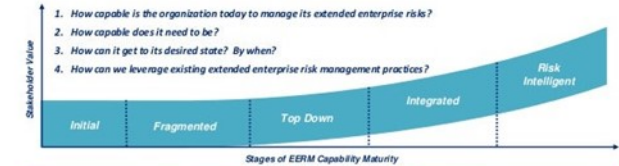
- Continually questions its own governance
- Has clear idea of their purpose and role
- Understands that good governance is in everyone's interest
- It is the duty of board members to:
 - ✓ remain focused on broad, strategic goals
 - ✓ tackling day-to-day issues
 - ✓ meeting their responsibilities,

Knows the organizational risks

Risk Management Heat Map



Deloitte Capability Maturity Stages



Representative Attributes Describing Each Maturity Level				
Initial	Fragmented	Top Down	Integrated	Risk Intelligent
<ul style="list-style-type: none"> Ad hoc/chaotic Depends primarily on individual/terrors, capabilities, and verbal wisdom 	<ul style="list-style-type: none"> Independent EERM activities Limited focus on the linkage of third-party risks with the company's overall strategic risks Limited alignment of risks to strategies Separate monitoring & reporting functions 	<ul style="list-style-type: none"> Common framework, program statement, policy Routine risk assessments Communication of risks to the key stakeholders Awareness activities Dedicated team 	<ul style="list-style-type: none"> Coordinated risk management activities across identified segments Risk appetite is fully defined Risk monitoring, measuring, and reporting to the board Contingency plans and escalation procedures in place 	<ul style="list-style-type: none"> EERM discussion is embedded in the company's strategic planning, capital allocation, product development, etc. Risk sensing, early warning risk indicators used Risk modeling /scenarios applied Industry benchmarking used regularly

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www.nicsa.org

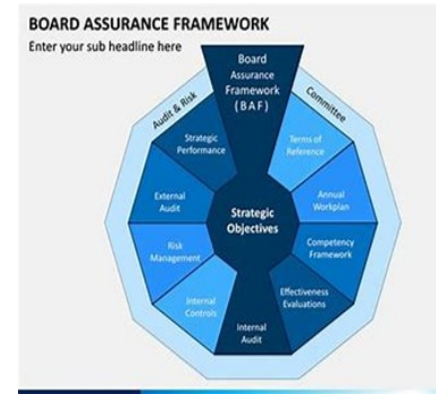
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Board' Role in Risk Management: ensuring compliance is always achieved

1. What could stop us from achieving our priorities?
2. What could ruin our reputation?
3. What could ruin our financial position?
4. What could put us out of business?
5. What has happened in other governance failures, that we can learn from?

Board Assurance: assurance beats reassurance

- **Assurance:** you establish that all is well
- **Reassurance** – reactively having concerns dispelled by someone else
- **Challenge is positive:** Board members having the duty to ask the right questions and constructively challenging answers given



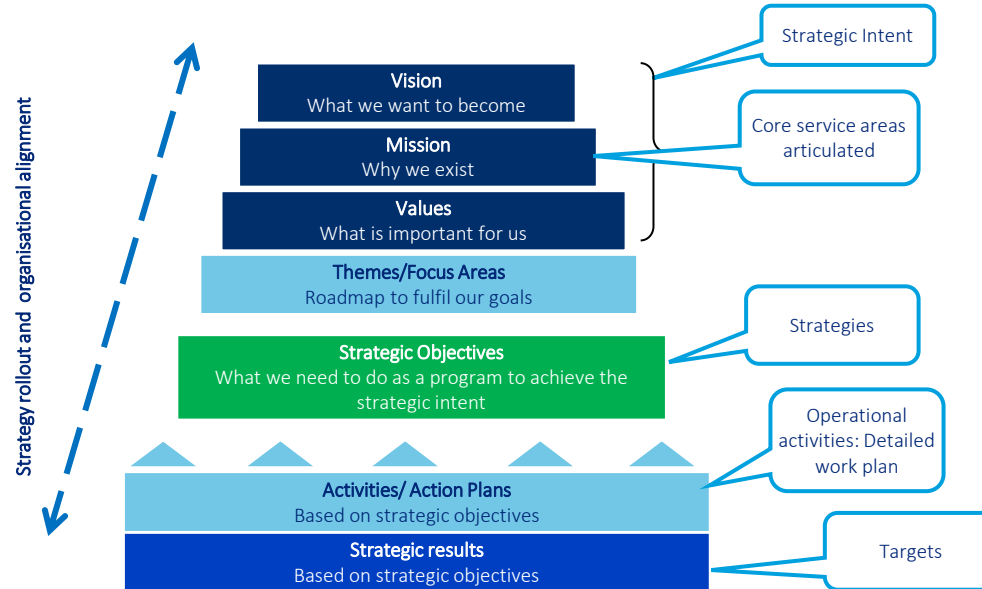
Undertake. a current state assessment

Organisation Sustainability Maturity Matrix

	Level 0: Oblivious	Level 1: Internally focused	Level 2: Impression management	Level 3: Holistic
A. Board agenda/ strategy	Sustainability is not considered for inclusion in the board's agenda/strategy.	Primary board agenda/strategic focus is on short term financial gain with limited consideration of impact on key stakeholders.	Board agenda/strategy considers sustainability in order to "feel good", mitigating financial risks and managing external perceptions of the organisation.	Board agenda/strategy grounded in a "common good" purpose which is consistently integrated and lived through an aligned culture, policies, and practices to achieve sustainability.
B. Stakeholder relationships	Stakeholder engagement only occurs to procure a benefit for the organisation.	Stakeholder engagement only occurs where some form of benefit or payback is expected for the organisation.	Claims that sustainability programs benefit key stakeholders, but stakeholders and others perceive the primary purpose is to promote the organisation.	Authentic relationships developed and maintained with key stakeholders and aligned to the organisation's purpose and strategy.
C. Value add	Sustainability is considered irrelevant for adding value or improving performance.	Natural environment and human/social improvement programs are considered an unnecessary cost and are only done for expediency.	Sustainability programs are selected to mitigate financial risks and to promote the organisation's sustainability credentials.	Genuine conviction that benefiting stakeholders is in the long-term interests of the organisation.
D. Minimisation of harm caused	No concern for any negative consequences or harm caused to others by the organisation's activities.	Limited awareness, transparency or concern for harm caused by the organisation's activities while maximising the economic benefit to the organisation.	Sustainability programs are used to mitigate or compensate for the most visible harm caused by the organisation and for impression management.	Sustainability programs focused on holistic and transparent engagement with those impacted by the organisational harm caused.
E. Goals synthesis	Sustainability issues are not considered as short-term financial gain is the sole business focus.	Paradox/tension between goals is recognised but a siloed approach, which includes philanthropy, results in maximising the organisation's financial performance.	Recognises paradox/tension between goals with financial performance prioritised combined with sustainability programs designed to maximise positive and minimise negative PR.	Synthesises sustainability goals by accepting the ongoing tension/paradox between improving economic performance and simultaneously adding value and minimising harm.

Copyright: Dr Mariappanadar and Insync 2020

Strategic planning is about setting direction for the future and is closely linked to performance management



Board and Executive Director relationship

Board led by the Chairperson

Defines expectations for the organization

- develops strategy
- grants power
- verify performance
- ensures compliance with governing document (e.g. a charter)
- ensures accountability and compliance with laws and regulations; and
- maintains proper fiscal oversight.

Management led by Executive Director

Takes direction from the Board

- communicate expectations
- implements strategy and policies (short term plans)
- manage day-to-day operations and
- program implementation to fulfil the expectations
- report results to the Board.

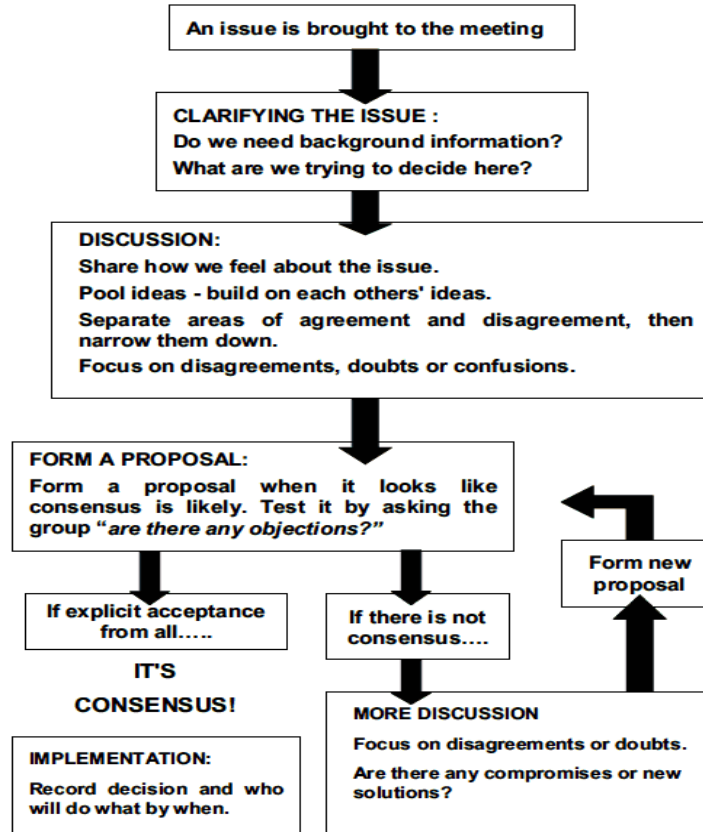
Effective boards set up committees

- Committees are an extension of the board
- Assist with oversight responsibilities and prepare the board for decision making
- Clear terms of references
- Chaired by a board member with expertise
- They deal with certain specific issues that require specialized areas of expertise.
 - finance
 - human resources
 - fundraising

Committee role is an advisory one - it does not make decisions

Build consensus as a board

the consensus process



What is driving your Board? Please use chat box

PERSONALITY	PEOPLE	PERFORMANCE	POLICY
<p>Features</p> <ul style="list-style-type: none">• Driven by results• Strong iconic leadership• Use passion to exert power• Often strong, task-focused chair and/or CEO <p>"Trust me"</p> <p>Benefits and challenges:</p> <ul style="list-style-type: none">• Nimble, rapid decisions• Risk taking, innovative• Leader can alienate• No empowerment• Always changing, can overreach <p>Greatest fear: Power sharing</p>	<p>Features</p> <ul style="list-style-type: none">• Driven by relationships• Family atmosphere• Use relationships to exert power• Often highly creative and people-oriented chair and/or CEO <p>"Involve me"</p> <p>Benefits and challenges:</p> <ul style="list-style-type: none">• Consensus-driven, team• Loyalty encouraged and rewarded Resists "outsiders" (= non-family)• Resists change• Difficulty setting priorities and taking risk <p>Greatest Fear: Decision</p>	<p>Features</p> <ul style="list-style-type: none">• Driven by best practices• Replication of tasks• Use reason and measures of performance to exert power• Chair or CEO is often a peacemaker and consensus builder <p>"Show me"</p> <p>Benefits and challenges:</p> <ul style="list-style-type: none">• Facts, benchmarks, results are key• Systematic• Undervalues people with divergent views• Not as innovative as could be• Benchmarking can be circular <p>Greatest fear:</p>	<p>Features</p> <ul style="list-style-type: none">• Driven by rules and policy• Bureaucratic• Uses rules to exert power• Chair or CEO is often very analytical and precise <p>"Tell me"</p> <p>Benefits and challenges:</p> <ul style="list-style-type: none">• Cautious and slow decision making - traditional approaches• Clear, routine, focus• Traditional• Resistant to change, outsiders <p>Greatest fear: Changing the system</p>

Ignite energy for change

“When do you feel most excited and energised at work?”



Energy for change defined as....

The capacity and drive of a board and executive team, organization or system to act and make the differences necessary to achieve its goals



Building and aligning energy for change

A review of published and grey literature,
initial concept testing and development

<https://bcpsqc.ca/documents/sites/2/2013/07/Further-Reading-Building-and-aligning-energy-for-change-v2-Feb-131.pdf>

There is a relationship between high energy and high performance

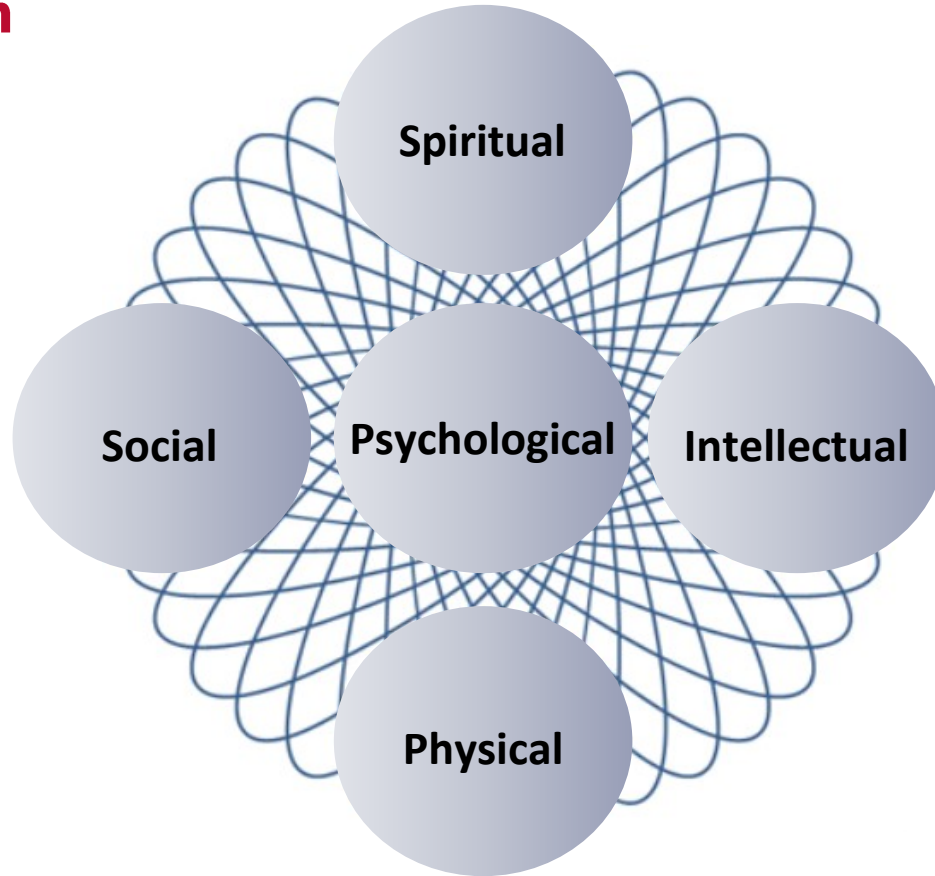
Teams with HIGH productive energy scored higher on:

- overall performance - 14% higher
- productivity – 17%
- efficiency – 14%
- user satisfaction – 6%
- user loyalty – 12%



Research by Bruch and Vogel

Board Teams perform best when five energies are high



The 5 Energies of High-Performing Teams

Social

Personal engagement, relationships and connections between people.



Intellectual

Analysis, planning, thinking.



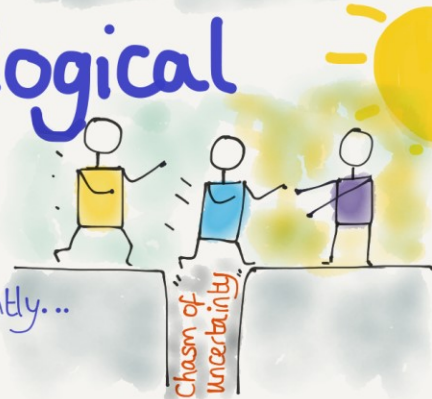
Spiritual

Commitment to a common vision for the future, driven by shared values and purpose.



Psychological

Courage, resilience, feeling safe to do things differently... and take risks.



Physical

Getting things done!
Making progress.



Social energy

*Energy of personal engagement,
relationships and connections between the
board chair, members and executive director*

It's where people feel a sense of
“us and us”
rather than
“us and them”



Spiritual energy

Energy of commitment to a common vision for the future, driven by shared values and a higher purpose

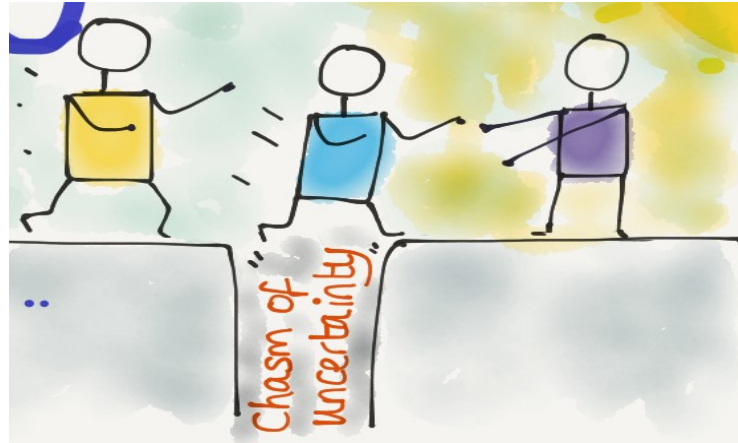
Gives everyone the confidence to move towards a different future that is more compelling than the status quo



Psychological energy

Energy of board courage, resilience and feeling safe to do things differently

Involves feeling supported to make a change and trust in leadership and direction



Physical energy

Energy of action, getting things done and making progress

The flexible, responsive drive to make things happen



Intellectual energy

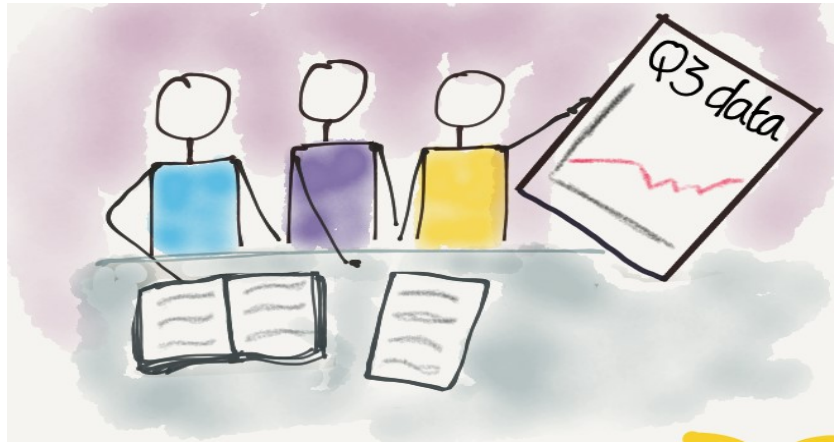
Energy of analysis, planning and thinking

Involves gaining insight into what is really happening in the organization?

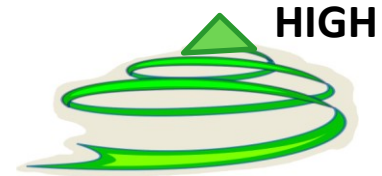
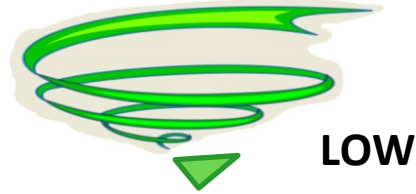
Are we getting good enough data?

What is the data we are being given at board meetings or committees telling us?

Does it allow us to plan and support processes, evaluation?



High and low ends of each energy domain



Social

isolated

solidarity

Spiritual

uncommitted

higher purpose

Psychological

risky

safe

Physical

fatigue

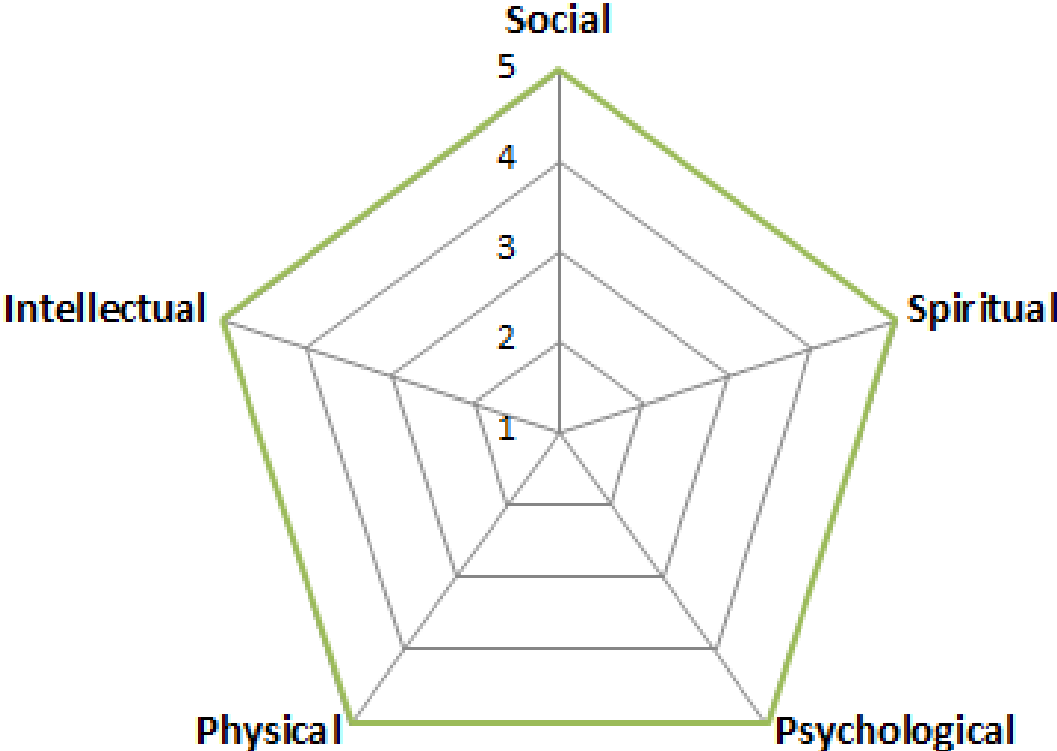
vitality

Intellectual

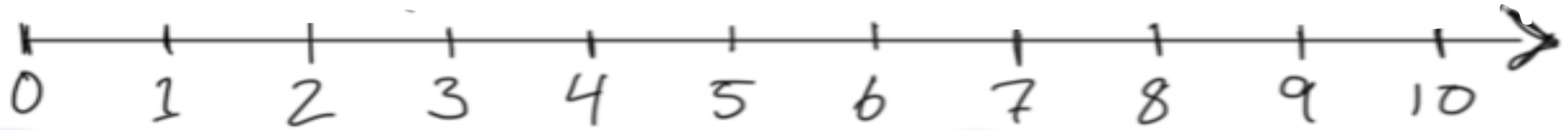
Illogical

reason

Where's the energy for change in your board team?



Where is your board team on this scale?



We have a toxic unsafe environment where

- We hold back from voicing concerns
- People are not always kind or civil to each other
- We fear what we say might be used against us in the future

We don't have glaring psychological safety issues, but.....

- We hold back our ideas or views to look competent, reliable and trustworthy
- Conversations between different board members, staff or groups can feel like debates or negotiation
- People don't want to hear different views and it's hard to make change happen

We are making progress towards our goals because

- We collaborate effectively across the board, executives and top teams
- We can speak up with ideas, questions and problems
- We can challenge things without fear of criticism or being made to look stupid
- People are open to change and learning when changes don't work

Psychological safety: A belief that we will not be punished or humiliated for speaking up with ideas, questions, concerns or mistakes



BELIEFS THAT CREATE *psychological safety*

1 CHANGING BEHAVIOUR IS HARD AND IT TAKES TIME

A → B
⌚

2 NO ONE CAN DO IT ALONE

3 ALL OF US NEED AND DESERVE EACH OTHERS HELP

4 EACH ONE OF US WILL FALL SHORT OR MAKE MISTAKES AT TIMES

5 WE EACH HAVE A RIGHT TO MAKE MISTAKES - as long as...

6 WE HELP EACH OTHER TAKE RESPONSIBILITY FROM LEARNING FROM THEM!

Human relationships matter!

Four ways to build psychological safety



1. Be vulnerable and human

- Show that it's OK to talk about emotions by sharing yours
- Admit to your own mistakes and failures, and frame these as learnings

2. Actively build a safe environment

- Practice active listening and encourage it in others
- Publicly praise others for being candid or giving feedback
- Make an effort to get to know about your teammates' outside-of-work lives

3. Reframe failure

- Reframe failure as an inevitable bump along the road towards success, and an opportunity to learn
- Talk about failure openly with the team when things go wrong rather than burying it

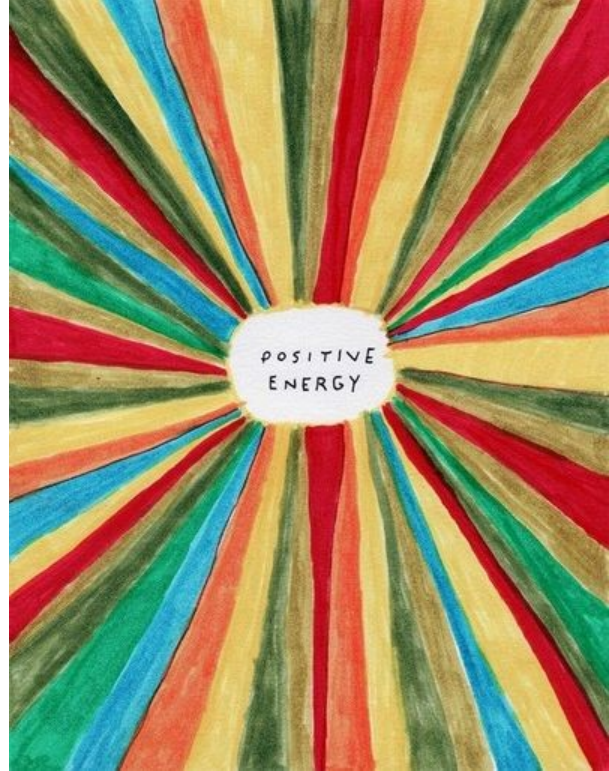
4. Destigmatise feedback

- Regularly ask for feedback from your team
- Encourage your team to give each other feedback as a way to learn and grow

*“Leadership is not about making
clever decisions and doing
bigger deals.*

*It is about helping release the
positive energy that exists
naturally within people”*

Henry Mintzberg



Very relevant to board leadership too!!

**Where might you start as a Board?
Governance Operating Framework**



Governance Performance Focus Areas

High level focus by the Board:	Board monitoring Operational and Service delivery
<ul style="list-style-type: none"> • Governance, • Performance • Strategy • Integrity • People 	<ul style="list-style-type: none"> • Planning • Operations • Reporting • Culture



Governance Operating Model

- enables the board and executive leadership to have a focus
- allows you to fulfil your roles
- gives the board an opportunity to test out effectiveness of its governance structure and
- Supports you with the mechanisms by which you can explore how governance is implemented.
- ensures board members
 - explore any inconsistencies,
 - overlaps, and
 - gaps

that may lead to failure to enact governance policies that the board and management have put in place.

Governance Operating Model

Working your way down, at each step ask yourself

- “How can we improve from where we are?”
- “Is everything looking as it should?”
- “Whose responsibility is it?”
- “Who needs to be informed and act on it?”

Working your way up, at each step ask yourself

“Why are we doing this?”

- This will help ensure that every tactic leads to improved performance
- Make a list of the key priority improvement areas
- Any other areas?

Examine each area

- Governance
- Strategy
- Integrity
- Performance
- Talent

Examine the following

- Operations
- Planning
- Compliance
- Reporting



Questions to consider

- Where should we be spending the majority of our time?
- How do we position the board as a strategic partner with management?
- Exactly what should we be doing in the critical areas of oversight such as strategy and risk?
- How does the work of the committees relate to and differ from the work of the full board?

Signs of a Board and Executive Leadership that work well together

- The **composition** of the Board works
- There is **respect** and **trust** among all Board members
- A **strong team spirit** exists
- **Emotional intelligence** exists among Board members
- Board spends time building **quality of the relationship** between individual members , board and senior leadership
- The Board **always cheering the ED and staff** when progress is made!
- The Board being an ally for the ED, a **sounding board** or a **trusted advisor**

Finally ...fantastic Board Leaders result in Fab Teams!!

- They create a shared vision
- They challenge the status quo together
- Sign upthey are present!
- They value and embrace difference
- Gender focused
- Help everyone in the team to feel safe and innovate
- Communicate – they talk
- Are kind to each other – get to know each other as people, care about the little things too
- Think the best of each other – so when something goes wrong, you do not blame other people's incompetence
- Achieve Win-Win for all team members
- Are highly productive – the sum is greater than its parts

Board: some critical takeaway points

- A board is a **team** and requires **team players** to work most effectively.
- Everyone on the board needs to be able to feel comfortable and confident enough to engage, challenge and disagree without fear.
- Members should understand that a board is for leading, not managing.
- The support they provide should be top level and strategic rather than operational.
- To stay strategic in a changing world, they should be committed to ongoing learning no matter their level of achievement.
- Everyone needs to be willing to reflect and assess themselves with total honesty.

ASAPII

ACCELERATING SUPPORT TO ADVANCED LOCAL PARTNERS II

— Thank you for your time.

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