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Effective Governance Practices for Current and Future Success

What does a high-performing board look like? How does a board reinvent itself when a need for change becomes evident? These questions are at the center of the ASAE Foundation's recent research on governance. The findings identified common features of high-performing boards, as well as characteristics, considerations, and actions of boards that weathered transformational change effectively.

The intersection of inquiry and strategic orientation is the nexus of effective governance. The ASAE Foundation's research found that high-performing boards share a number of distinctive characteristics, including a strategic orientation, engagement in board recruitment and development, and a commitment to creating a culture of learning and accountability. These boards acknowledge that changing circumstances may warrant transformation and, when such circumstances arise, establish a plan to navigate them while remaining willing to learn throughout the process.

What does good governance look like?

Because of the diversity of size, industry, goals, and focus among member-serving organizations, good governance doesn't have a single set of best practices. However, the most effective boards share a core set of values. In *What Makes High-Performing Boards* (ASAE, 2013), Ashley Bowers and Beth Gazley, of Indiana University, explored these common elements.

Strategic orientation. Boards that focus on strategic planning at least 25 percent of the time and operate under a strategic plan have better results. These boards plan the future direction of the organization and establish a road map of how to get there. Instead of getting bogged down with day-to-day operational details, they trust staff to perform their duties.

Attention to board recruitment and development. Association boards that actively seek members whose qualifications, skills, experience, and availability are best suited to the position are more successful. To cultivate an effective team, these governing bodies actively seek members through targeted nominations and elections processes. They conduct open elections rather than appointments and observe term limits.

Learning, self-assessment, and accountability. Effective boards and the associations they lead benefit from a culture of inquiry and continuous learning. The most effective boards conduct some form of self-assessment. Whether they conduct informal assessments or more established procedures, accountability makes a difference when it comes to meeting milestones. Sixty-two percent of boards report their progress internally and 28 percent report progress to members. The highest percentage of boards that meet or exceed their goals are those that report publicly. Additionally, board training and development and staff training on board support contribute to better governance.

The health of a board can affect an entire association, from leadership to membership. Associations with low-performing boards experience higher staff and board turnover and have difficulty recruiting new volunteers. CEOs of these organizations are more likely to be planning to leave, and membership and revenue are often on the decline.

How do boards make successful transitions?

Continued excellence requires flexibility. Building on the findings about high-performing boards, the next phase of ASAE Foundation research examined transformational governance. The study found that many of the characteristics of successful boards were also important for boards that faced an imperative to reinvent themselves.

In *Transformational Governance* (ASAE-Wiley Series, 2015), researchers Beth Gazley and Katha Kissman identified strategies that boards use to productively manage the lifecycle of change, from catalyst to sustainability. Culture remains paramount in predicting a board's ability to weather the challenges of transformation. Boards that were open to new directions became the ones that capitalized on growth opportunities triggered by situational demands. These boards were led by a team of committed change agents, generated a strategic plan oriented to the organization's core mission, and were willing to adjust their plans as necessary. Leaders of these successful boards were prepared to cede power to accomplish their goals.

Recognizing the signs. A transformation of governance can be set into motion by an external impetus such as a boom in membership or a regulatory change in the industry. It could also be an internal recognition by board members and CEOs that something isn't right.

Christina Hansen, board member of the National Council of University Research Administrators (NCURA), at the time of the research, cited specific issues that led to the association's process of transformation:

What was really clear to me before the governance change is that we had grown but we were not able to be flexible to recognize the kind of changes we were seeing in our membership [sic]. We were growing, but we had no targets. The board hadn't created a vision for the organization.

Managing the change process **is essential to effective** transitions. Successful boards have used the following steps:

Establish a team. A key driver of transformational governance is a group of leaders who will champion the new direction, envision the next phase, and commit to seeing it through. This team looks for ways to assuage the concerns of board and staff members who may be resistant to the upcoming changes. The group understands that the journey is as important as the destination, and remains open to making adjustments based on lessons learned.

Make a plan—in pencil. Successful boards document specific areas where change is required, and then design the strategic vision. They formulate an action plan built around organizational goals and identify quantifiable markers of success and timelines to check progress. While remaining open to altering the strategic plan as the process moves forward is important, building a solid framework is still a cornerstone of the process.

Put people first. Transforming the leadership and mission of an organization doesn't happen in a vacuum. At every stage, from idea to implementation, people are involved. Change can have an emotional impact on individuals, and some adapt more quickly than others. Boards that are effective at transformation are considerate of members of the board and staff who may be apprehensive.

Patience and transparency help resisters get on board. If people perceive that they aren't being informed about what's going on and feel like outsiders, it's harder to move forward as an organization. Boards found that they were able to mitigate resistance by incorporating resisters into the planning process and adjusting the rate of change to fit the culture of the organization. Frederick P. Somers, executive director of the American Occupational Therapy Association, Inc., managed a restructuring to change constituency-based makeup and reverse declining membership. But not everyone was happy about it. As Somers recalls, "A third of the group were old-timers bound and determined not to change."

Somers and COO Christopher Bluhm saw fear and uncertainty among the resistant stakeholders and formed a committee to involve them in the process. "After taking the extra time and being part of the process, the current leaders started to understand and embrace the proposed changes," recounts Somers.

Sustain change. An association can ensure the lasting impact of its transformation with some strategies for sustainability. Leaders can continue to engender investment by those who are more hesitant to adapt by soliciting their participation. Maintaining a culture of trust through transparency is key during and after major changes for all stakeholders.

Don't hesitate to ask for help. Many boards found that outside advice helped them to identify blind spots and open up options. Society of Estate and Trust Planners Chief Executive David Harvey used consultants effectively to aid the organization's board transition. SETP had gradually overcome the challenges of acclimating its large, conservative board to the idea of change, but it was still struggling to make a plan to the future. Through guided discussions, the consultant helped the group evolve. "The consultant was the objective advisor who told us we had not really grown up. He highlighted what wasn't working," Harvey recalls.

Share power. Transformational governance requires flexibility on the part of all stakeholders, so those leading the charge must be aware of tendencies to stay entrenched in a power structure that needs to evolve. Board members and executives spearheading the change process have to be willing to relinquish power to fulfill their mission.

There is no singular path for a board to achieve change in a meaningful, forward-thinking manner, but common factors have led to success for many associations. Smart decision-making based on careful consideration, planning, and sound information helps boards establish a path of transformation they can sustain in the long run, while a strategy that accounts for culture, resources, and individuals creates reasonable expectations and realistic goals for success.

Sources

Gazley, Beth and Ashley Bowers. [*What Makes High-Performing Boards*](#). Washington, DC: ASAE Association Management Press, 2013.

Gazley, Beth and Katha Kissman. [*Transformational Governance: How Boards Achieve Extraordinary Change*](#). Hoboken, NJ: ASAE-Wiley Series, 2015.