

NONPROFITS: BOARD GOVERNANCE

Governance: Invitation for Sector-Wide Discussion

)6.20.18 | Linda J. Rosenthal, J



The Nonprofit Quarterly, led by editor Ruth McCambridge, regularly takes the lead in sparking innovative thought and reflection in the nonprofit sector.

On April 16, 201, NPQ launched the newest topic for sector-wide discussion and consideration: <u>Nonprofit Boards and Their Relevance in Governance: An Invitation to Engage.</u> "One of the most rapidly advancing topics in the sector right now centers on the shape and function of nonprofit governance. If you do not already know that, you need to take a moment to consider some of the more recent thinking on the subject." Thought leaders in the last decade and a half have noted that ideas about nonprofit governance have "...broken free of some preconceived assumptions that kept producing and reproducing the same problems.

Reframing of Governance Discussions

Case in point is scholarship by Bill Ryan, nonprofit consultant and lecturer at the Kennedy School of Government, dating back to 2003 and reprinted last year: <u>Problem Boards or Board Problem?</u> He and his co-authors explore the conundrum of so many "underperforming" boards "despite a boatload of consulting and normative literature." They suggest that experts, in order to solve governance problems, perhaps ask the wrong questions in the first place – a process doomed to fail. Ryan and his team prescribe a number of solutions including clarifying board roles and responsibilities and establishing and maintaining a better dividing line between questions of policy and questions of management. They also emphasize creating a board experience that is more "meaningful" and "satisfying." Perhaps, they suggest, a "new sense of the problem of purpose may be more useful than still more solutions to the problem of performance. The right solution to the wrong problem rarely works." Their goal – or at least a side effect of it – has been to disrupt the



"comfortable assumptions" of consultants which they sometimes describe as the "nonprofit governance industrial complex."

Editor McCambridge also refers to David Renz, director of the Midwest Center for Nonprofit Leadership, who "a few years later ... took that thought to its next level by proposing that we had our terms of reference all wrong." In his landmark NPQ article, *Reframing Governance*, he posited that the board is not the only source of "governance activities" because "[m]of the shaping decisions that determine a nonprofit's future are made externally at levels where policy and practice standards are set." Renz has asserted that "[g]overnance is a function and a board is a structure—and, as it turns out, a decreasingly central structure in the issue of new or alternative forms of governance." Nonprofit organizations "sometimes act as willing prisoners to hierarchical, control-oriented organizing,..."

The Discussion Going Forward

These are "radical notions" from two highly respected experts in the field that has spurred important new thinking: "In our opinion, this is one of the most exciting and timely frontiers of practice, and a lens through which the sector may leverage great gains in its work."

To encourage a sector-wide discussion along these innovative lines is why The Nonprofit Quarterly decided to be the catalyst now on this crucial topic. Beginning in mid-April and into May, the publication is offering a series of lengthy, scholarly articles from the publication's spring 2018 edition, *"Dynamics and Domains: Networked Governance in Civic Space."* The suggestion is to read – and then reread – them "even as the central notions being advanced sink and [are] put in place." These articles are a sample of what is now out in the literature, but NPQ hopes that they will be a springboard for readers to delve into and then add to the discussion.

They are lengthy and somewhat technical. They could benefit from an abstract or summary of argument at the beginning; nevertheless, they are well worth the time.

- <u>Networked Governance: Gaining New Insights into This Unique Approach to Leadership,</u>
 David O. Renz (4/23/18)
- Fear, Tradition, and Serendipity: The Unacknowledged Drivers of Governance Strategy, Judith L. Millesen and Eric C. Martin (4/26/18)
- <u>Windows of Collaborative Opportunity: Considerations of Governance</u>, Chris Cornforth, John Paul Hayes and Siv Vangen (4/30/18)

Conclusion

These articles should be a useful starting point for exploring the breakthrough ideas that scholars in the field nonprofit governance have focused on in recent years.