FPLG: COVID-19

Nonprofit Governance: Outside-The-Box Thinking

11.24.20 | Linda J. Rosenthal, JD

At the outbreak of the COVID-19 pandemic, nonprofit boards scrambled to respond to this enormous crisis. In the first month or so, many embraced emergency accommodations for governance – including virtual meetings – to tackle the extraordinary questions and decisions.

By early summer, they felt weighed down by the unrelenting challenges. "Nonprofit leaders need to keep reminding themselves," advised expert Alan Cantor in mid-June in *Nonprofit Leaders, Get Used to the Uncertainty and Focus on the Big Picture*, that "this is an unprecedented time." He acknowledged the frequent jokes he heard about wanting to return soon "to a time … that's precedented."

We were all buoyed by news of "reopenings" on the horizon. It soon became clear, though, that the late-spring relaxing of rules was misguided and unsuccessful. There have been waves of tighter controls, followed by some easing of restrictions. And now, as the epidemiologists warned, we face a difficult winter.

As the months of this existential chaos have dragged on, many philanthropy thought leaders cautioned that we're not returning to "normal" any time soon nor should we want to go back to the ways things were. See *Philanthropy Thinkers On Not Returning To "Normal"* (August 4, 2020) The status quo didn't work very well for many in our society. "Nothing could be worse than a return to normality," according to commentator Arundhati Roy in *The Pandemic Is a Portal* (April 3, 2020). "Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next…."

The challenge is to turn the catastrophe into an opportunity. If ever there was a time for thinking "outside the box," it's right now. Nonprofit governance is at a crossroads.

Nonprofit Governance Innovation

In *Governing in and through a Pandemic* (October 27, 2020), Drs. Cathy A. Trower and Peter D. Eckel encourage nonprofit boards to be open to transformational change.

"Boards find themselves facing a host of challenges as they work to fulfill their fiduciary roles in the pandemic," they write. "But the challenges of the pandemic may provide opportunities to evolve governance in ways beneficial for the long run." They don't make "pandemic-specific" suggestions, instead encouraging innovative thinking and action that will better "serve boards and their institutions once through the crisis." The authors organize their advice around four concepts:

- Get the Mind-Set Right and Appreciate Complexity
- Focus on Priorities
- Ensure That Form Follows Function
- Have Different Conversations with the Chief Executive

Governance Approach

"The pandemic is forcing board members to approach their work differently. Central to doing things differently is thinking about them differently."

Nonprofit boards now face "complex environments" that are particularly challenging because "cause and effect is unknown and there rarely are right answers." Some directors – "nostalgic and stuck in old routines" and "seeking overly simplistic answers to complex questions" – may resist, of course. But successful boards for these times and for the near future will encourage discussion and consideration of new ideas. They should also "allow the staff team to lean *into* emergent practices" instead of relying on "best practices of the past."

Drs. Trower and Eckel recommend a trending theory of governance called "sensemaking." Simply put, this term "… refers to how we structure the unknown so as to be able to act in it." It involves "… coming up with a plausible understanding – a map of a shifting world; testing this map with others through data collection, action, and conversation; and then refining, or abandoning, the map depending on how credible it is." [For discussion of this concept in the nonprofit context, see for instance, *The Sensemaking Organization: Designing for Complexity* (April 16, 2019) Cyndi Suarez, *The Nonprofit Quarterly*.]

Priorities Emphasis

The pandemic "… should be a wake-up call for boards to be more intentional about the focus of their work." But that doesn't mean that the board should "limit its focus only to the problems at hand."

In their book, Practical Wisdom: Thinking Differently About College and University Governance, these same authors suggest that "boards can benefit by thinking of their work spanning three categories: oversight, problem-solving, and strategy." While the pandemic has necessarily pushed most board work towards problem-solving, nonprofit boards should not neglect future planning and as well as monitoring decisions already made.

Meeting Structures

As satirist Dave Berry has noted: "If you had to identify, in one word, the reason why the human race has not achieved, and never will achieve, its full potential, that word would be 'meetings.'"

Drs. Trower and Eckel want nonprofit boards to reconfigure their meetings to enhance rather than constrict this new focus on top organizational priorities. The traditional "structures and formats of meetings and committees" are not sacrosanct. "Now is not the time to follow routines and rituals that may be comfortable, but do not serve today's needs." They propose several important ways to rethink the conventional nonprofit board meeting and governance generally.

First, they recommend scheduling board meetings so they are "issue-driven instead of calendar-driven." While there are certain minimum state law requirements for directors and governance, there is room for considerable flexibility and – generally – an organization can adjust its bylaws accordingly.

Second, the authors suggest beefing up plain-vanilla Zoom meetings with more creative uses of available technology including – for instance – pre-meeting questionnaires and polls "to frame and seed discussions."

Third, they advocate using "consent agendas" to streamline board meetings and steer them away from "minutiae." [See our post from a few years ago: *Consent Agenda: A Tool For Better Meetings* (May 17, 2016).]

Board/CEO Dynamic

The authors emphasize how hard the pandemic has been on the nation's nonprofit CEOs. These executives are under intense pressure "… to get things done right and to do this in an environment in which information is fleeting and the mileposts changing." They advise boards to listen carefully not only to what the organization's CEO is "asking for and saying" but also to what the CEO "isn't saying," and to consider "what meaning you make of that."

Conclusion

Drs. Trower and Eckel acknowledge in *Governing in and through a Pandemic* that nonprofit boards face an "unpredictable" situation but they should not "succumb to fear and immobility" or make rash decisions. "Now, perhaps more than ever, all stakeholders are looking for thoughtful, competent leadership not just from the chief executives but from all quarters—especially boards."

Board governance for the nonprofit sector must take up this challenge.

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