
Scrutinizing “Archaic” Governance Structures in a Year Marked by Crisis and Calls for Greater Inclusion

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Over the past year, Beisan Zubi has received at least 10 invitations to sit on boards of non-profit organizations. She’s turned them all down. The Waterloo-based entrepreneur already serves on three and was worried she was being invited because she’s a woman of colour, and not necessarily because of her qualifications.

“I think I’m a good board member, but I think it’s also that the boards were recognizing that they didn’t have diversity. They looked at me and saw a diverse person,” she says.

The surge of requests prompted her to start a service called Get on Board that matches non-profits in the Kitchener-Waterloo region with potential board members from Black, Indigenous and People of Colour (BIPOC) communities. The program launched in June.

Zubi says matching a board with the right BIPOC candidate is only one metric to improve organizational inclusion – that work should sit alongside anti-racism training and evaluations of an organization’s participation in “systems of oppression.”

Fixing diversity on boards is part of a bigger systems change strategy that Zubi says is essential to non-profit governance. “This is just one tool in a huge toolkit of things that need to start and be sustained,” she says. “There’s a lot of inner work that needs to be done. That is never really seen as a priority because of the constant state of challenge that all non-profits are in.”

In what has become an unprecedented year for non-profit and charitable organizations across Canada due to the dramatic financial and operational impacts of COVID-19, both the make-up

and effectiveness of boards have come under scrutiny. Some of the louder critiques in recent months have included the governance structure of the now-disgraced WE Charity (in particular, the board chair's [insufficient oversight](#) and some of its board members' [lack of independence](#) from the organization) and a call to increase diversity on boards (a call that goes far [beyond Canada](#) and [beyond the charitable sector](#)).

“Studies by academic institutions like the Diversity Institute at Ryerson University paint a picture of a sector that may talk the talk but appears to be unwilling to walk the walk,” wrote Senator Ratna Omidvar in June, in an [open letter](#) to directors, executive directors, and CEOs.

In moments of crisis, any cracks in governance have the potential to show, says Michigan-based consultant Susan Radwan, who recently created two comprehensive online [board-training courses](#) for Capacity Canada. Radwan says most board members are new in the role and may not understand it well. In addition, dysfunctional boards – those lacking defined responsibilities or communication, for instance – pass down the status quo to new members.

“When there is not a value for curiosity, for exploration, for even asking questions . . . that prevents boards from actually improving, becoming more impactful, and really delivering,” Radwan says. She is one of many calling for more radical governance transformation, starting with learning how to reflect more deeply on who is making decisions and how governance structures might change.

New kinds of models

“If you don't have good governance, then everything else falls to the wayside,” says Alia Ahmed, who works as Crown counsel to the ministry of the attorney general in Toronto. “And then when it comes time to deal with crises, or any kind of additional challenges that an organization faces, it becomes that much tougher, right?”

Ahmed has served as a board member of Medecins Sans Frontieres Canada and the Rapport Credit Union. She says rethinking who is included in decision-making processes directly relates to rethinking entire governance structures.

“The current models of governance of organizations are archaic . . . and I think the biggest problem to face boards, the biggest crisis, next to the COVID financial challenge, is the challenge of adequate inclusion on these boards. Typically, they're white, and typically, they're male,” she says. “If you don't pay attention to the way that you do your governance, it won't change. You have to be open to the development of those new models.”

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But rethinking governance may not be top of mind for organizations this year. “In all fairness, in a COVID environment, it's really challenging,” says Ahmed. “Organizations are losing money; they are considering whether or not they can even continue. So, I totally understand that governance reflection is not a priority. And then, having said that, how do you improve if you

don't do it?"

Linda Mollenhauer agrees. She's worked in the sector for nearly 40 years, was formerly CEO of Imagine Canada, and, more recently, founded the Ignite NPS foundation to "shake up the status quo" and promote [new ways of thinking](#) about governance.

Efforts to improve both governance practices and board diversity aren't new, Mollenhauer says, noting that to prompt real change, organizations need to stop thinking boards are synonymous with governance itself. Instead, she thinks organizations need to decentralize and expand decision-making structures to create opportunities to include more voices at the table.

"The question isn't, 'how do we make our boards more diverse?' It's how to create opportunity for more diversity in our governance decision-making?" she says. "If you start to place governance as a bigger system that includes the CEO, that includes funders, that includes your collaborative partners, etc., then you suddenly go, 'Okay, here are all the ways that we can draw in for diversity in our governance decision making.'"

Mollenhauer and a few others have been researching governance innovation the past several years. Their resulting 2018 report, [Peering into the Future](#), warned that "a strict focus on boards as the central governance structure may be limiting opportunities for transformation."

The report proposed that "new, adaptive approaches to governance are needed to ensure better responsiveness to social issues, system-wide impact and adaptability to the changing environment." For example, it said, organizations may want to consider other decision-making mechanisms, such as "citizen councils, youth advisory committees, dedicated seats on the board, community-driven strategic planning sessions."

The Ontario Nonprofit Network (ONN) recently launched [an initiative](#) that will recruit organizations to participate in a pilot "transformative design process" starting in January. The goal is to provide examples of governance innovation that can be used to create tools and resources for wider use in the sector.

This doesn't mean boards don't serve a crucial purpose. The many programs to strengthen boards across Canada reflect that – from Radwan's Capacity Canada courses or the [Girls on Boards](#) Initiative to the board training program run by the Victoria-based [Indigenous Perspectives Society](#) (IPS).

"The biggest thing that is missing with governance structures is active and meaningful participation of directors," says Rachelle Dallaire, executive director of IPS, which has been running its training program, mostly for BC-based delegated Aboriginal child and family service agencies, for nearly two decades. "The last thing you want to be is laden with a well-intentioned board of directors that doesn't have the skill set to help inform the strategic planning of the organization. And I think that, for the most part, a lot of directors don't have a very strong working knowledge of what's expected of them."

Dallaire says many organizations need governance training so directors have a sound understanding of roles and responsibilities, financials, governance models and strategic planning. After that, it is up to every organization to find the structure that works for their team.

IPS, for instance, has an elder come to its board meetings to set the stage for good listening and for doing respectful work that “acknowledges each other’s gifts.” The organization also has two young adults on its board — a reflection of how it values youth voices.

Those kinds of specifics may not be the right fit for every board, however. “We’re very cautious about what we tell other Indigenous organizations they should be doing,” Dallaire says. Instead, the training program goes over practical details, with some core values baked in. “When I think of good governance from an Indigenous perspective, we’re talking about the values that underlie Indigenous governance structures — that’s about transparency, it’s about respect, it’s about honesty, it’s about truth telling. It’s all of those principles put together.”

Innovation in a pandemic

Niamh Leonard has spent quite a bit of time thinking about innovative governance. The 27-year-old is chair of the board at Apathy is Boring, a Montreal-based organization that promotes [political engagement among Canada's youth](#). Leonard joined the board in 2014, when she was just 21, and became chair in 2015. The charity has since grown exponentially, she says, to an annual budget of over \$2 million, from around \$250,000.

Navigating that growth taught her the value of discussing the organization’s approach to governance before the decision-making occurs. Thus, when the organization changed its branding, the board wasn’t bogged down in debates over which fonts or colours to use. “Our role was to make sure that there had been the right process in terms of making sure that the brand resonated with the target audience. And so the decision-making really is about including the right people. Have we pressure-tested this with young people who are exactly the kind of target demographic of the organization?” she asks.

“What I see sometimes is boards getting in the trap of thinking that we have to make the decision, when actually I think that they can be kind of this node in the middle of the system, of how decisions are made in the organization, and how we incorporate accountability within our processes.”

Earlier this year, when COVID-19 forced her group to decide whether to take their in-person programming online or to pause it, Leonard says that their solid governance philosophy meant that they were able to weather the storm. Stakeholders already had faith in their decision-making system. “We were able to react quite quickly, and in a way that was agile and flexible,” she said. “Because I think there’s a lot of trust between the board and staff, between the ED and staff, between us and our community.”

Some non-profits, such as The Royal Canadian Legion, with 1400 branches across the country, employ different governance models that may be useful for other charities to understand. The Legion has struggled due to the pandemic. This year, 21 branches have closed or are closing, mostly in Ontario and Quebec, and hundreds are in financial difficulty. In April and May, the organization wrote to the federal government seeking financial aid, the first time it has done so in its 95-year history. The decision had support across all levels of governance, says Dominion President Thomas Irvine. (They finally got their answer earlier this month, with a [\\$20 million aid package](#) for veterans’ organizations.)

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said and done, we walk away from the table, and we're all in agreement. You may not like it, but you'll support it.”

But if a branch decides to close, higher-up executive councils at the provincial and national levels (like boards of directors), stay out of the decision. “We're a bottom-up organization. So it makes it a little harder as well to control,” says Irvine. “But as long as [the branches] follow the bylaws of the organization and what we believe in, then basically they can run their organization, business wise, any way they want.”

The [unique governance structure](#) of the Legion isn't without conflict, however. Nearly a decade ago, when it decided to downsize the number of provincial representatives at a national executive council meeting, there was a “huge debate,” Irvine recalls.

“We're allowed to argue on the floor, we're allowed to argue at the table. But once it's all said and done, we walk away from the table, and we're all in agreement. You may not like it, but you'll support it,” he said.

Lisa Lalande, the author of the 2018 *Peering into the Future* report and CEO of The Century Initiative, says it may not be possible at the moment for other organizations to consider changing their governance structures, but it should be something to keep in mind in near future.

“The reality is, we're in an environment now where even if you had the most innovative thinkers and experimenters working within these organizations, wanting to test new approaches, you're in crisis mode,” she says. “With all the funding challenges, it's going to be hard to have this conversation with boards. On the flip side, this presents an opportunity. For charities and non-profits to explore, to convene, to test, and to iterate, to find solutions to the challenges they're facing.”

Lalande is working on implementing change at The Century Initiative and encourages leaders of other organizations to frame change around outcomes, not governance. She is also broadening the number of ways to “bring more voices in” by introducing a council for “high-profile, network building,” a subject-matter expert panel, and new digital tools that can seek input from a broader group of stakeholders.

“People will say to you, ‘we already have 20 committees, we don't need more committees,’” she says. “But for me, it's not about the structures; it's about how these approaches work together to inform strategy.”

When it comes down to it, Lalande says, there is no “transformative silver bullet,” but instead organizations should be thinking about sharing power, maintaining a focus on strategy (instead of just fundraising), and leveraging new technologies to create more “meaningful and direct engagement with beneficiaries and stakeholders.”

Lalande's recommendations echo those advocating for greater inclusion – a reminder of the parallel efforts to both innovate and diversify non-profits.

“Boards need a lot more self-awareness than they have,” says Zubi, of Get on Board in Waterloo. “I get that when you require funding, you're not really sure about your long-term

growth, and you focus on more short-term issues . . . But I think that this has allowed a lot of boards to become really complacent with the systems that they keep, and the systems that they change.”

Ahmed agrees. “We exclude people through our systems and our processes. We have to rethink the way that these systems and processes function. And that includes board governance – so I totally think they go hand-in-hand.”