

GOVERNANCE IN ACTION

How to Form and Run an Effective NGO Board

Running an effective board is perhaps comparable to running a football team – one may get all the best players in the field, but a team of the best players doesn't guarantee the making of the world's best team – so what are the key factors to consider?

At the Project's seminar on 'Building and Sustaining an Effective Board' took place in November 2016, Ms Christine Fang, Professor of Practice, Faculty of Social Sciences of The University of Hong Kong, handed out three pieces of advice to NGO boards that want to enhance board effectiveness:

- **Board should evolve and grow with the NGO per its development stages**
- **Maintain healthy internal dynamics**
- **Build constructive board and management relationship**

Board should evolve and grow with the NGO per its development stages

At various stages of its organizational life cycle, an NGO might find having board members of different qualities and strengths could be more contributive to its development needs. For example, qualities of entrepreneurship such as being 'visionary' and 'creative' could be highly valued at the early life stages of an NGO, in breaking new grounds and finding its path. Organizations would need board guidance in terms of professional input, system building knowledge and access to resources, which are essential at the stages of formalization and elaboration, pivotal for translating mission and vision into services and for strengthening the organization's internal control.

Facing the ongoing challenge of board recruitment, Hong Kong Federation of Handicapped Youth (HKFHY) has recently amended its Articles of Association (AoA) with regard to board composition. Departing from the previous confinement to only recruiting handicapped persons aged 18 to 60 for election as board members, the new AoA removes the upper age limit, and allows the board to invite up to 5 abled or disabled persons to join the board without voting rights as appropriate. Seemingly minor, the changes are essential and strategic in nature that cater to nowadays' needs by expanding the board's expertise and enabling talent retention, crucial for achieving the sustainable development of the organization that operates in today's ageing society in which 60 is commonly considered 'young old'.

Maintain healthy internal dynamics

Board members should work as a team, with balanced and effective participation of all members. Attention should be given to the relationship dynamics and culture of the board, to ensure that newcomers can be engaged and socialized into the group. Less obvious than it seems, some particular qualities of a board (or a board member) could be both advantageous and burdensome to the NGO or the board. For instance, some well-connected board members could bring in wealth of resources to the organization. Yet, due to their importance and influence, others may not want to object to or challenge their views, giving rise to a conflict-averse boardroom that fails at engaging in thorough and necessary discussions on controversial issues. Another example is friendly boards, as friendship ties among board members could, on the one hand, foster commitment to the organization and, on the other hand, hamper fair stewardship of the organization.



Prof Christine Fang presented on considerations for NGO board composition.



Dr Gary Ng shared his experience amending HKFHY's AoA.

GOVERNANCE IN ACTION

Dr William Lo, Chairman, Executive Committee of the Mental Health Association of Hong Kong (MHAHK) understands the importance of maintaining a healthy board culture. He said that efforts have been made to combat the sense of inertia, commonly experienced by board of organizations with a long history like MHAHK. Through a series of annual board retreats in recent years, board members are engaged on different levels of organization development, from the re-formulation of the Association VMV (vision, mission, values) which encompasses the overall development and a renewed spirit of the organization, to deciding on notable initiatives of the organization such as the development of subsidiaries including social enterprise.



Dr William Lo agreed that it is important to properly engage board members.

Build constructive board and management relationship

As important as intra-board relationship is the relationship between the board and the management – which some considers even more delicate because of its paradoxical nature. This refers to the fact that, *de jure*, the board hires, fires and supervises the chief executive and holds the final decision, and yet, *de facto*, a significant proportion of board members are nominated by the agency head – according to a survey recently conducted by HKCSS Institute and ExCEL3, 38% NGOs indicated nomination by CEO as a major channel of board recruitment.

In handling such delicate relationship, it is essential to have a clear delineation of roles between the board and the management, as well as an open and honest communication between the two.



Ms Lois Lam shared the findings of the survey regarding board recruitment and retention.

Conclusion

Effective Board recruitment is not just about getting the right candidate, but doing the things right to attract and engage the candidate to commit to the mission of the organization. To achieve high board effectiveness, ongoing and conscious effort is required at all stages of board development, from recruitment to engagement of board members to retention and succession. Organizations in different stages of development facing their unique context face varying challenges, boards have to adapt and evolve constantly in order to lead and ensure its mission are delivered and advanced in a sustainable manner. There is indeed no golden rule for high board effectiveness, but here we offer you some tips: **look in (evaluate intra-board dynamics), look out (evaluate board-management relationship), adapt & good luck!**

*Our special thanks to the speakers of the aforementioned seminar:
(in alphabetical order)*

- *Ms Christine Fang*
Professor of Practice, Faculty of Social Sciences, The University of Hong Kong
- *Ms Lois Lam*
Head, HKCSS Institute
- *Dr William Lo*
Chairman, Executive Committee, The Mental Health Association of Hong Kong
- *Dr Gary Ng*
Chairperson, Hong Kong Federation of Handicapped Youth

