

## FOCUS

### Pursuing Continual Enhancement for Over Half a Century

Interview with Mr Chong Chan Yau,  
President of Hong Kong Blind Union

Mr Chong Chan Yau became blind at the age of six. When he was in Primary Six, he joined the Hong Kong Blind Union (HKBU) and broadened his horizons to the development and values of self-help movement of visually impaired people in foreign countries. Chong was so passionate about equal opportunities that right after completing HKCEE, he stood for election and was elected as a member of HKBU's Executive Committee (ExCo) in 1976, and the President in 1983.

Established in 1964, HKBU is the first self-help group founded and run by people with disabilities in Hong Kong. In 1970s, HKBU's focus was shifted from networking members to advocating the rights of the persons with visual impairment. With "Equality, Opportunities, Independence" as its mission, advocacy work was the core of HKBU's work and remains unchanged.

Chong has always been advocating the rights for visually impaired persons and promoting self-help groups' participation in government policy formulation. "We advocated the right for continued education, which was then recognized by the government in the White Paper. The government started providing resource teachers for visually impaired students to study in mainstream schools," said Chong as he looked back to his experience in responding to the government's first Rehabilitation Green Paper in the 70s. He was invited to join the government's Rehabilitation Development Coordinating Committee, the first time that an advisory committee had a member from self-help organizations. Chong also helped draft the section relating to the participation of persons with disabilities and their parents in the Green Paper on Rehabilitation Policies and Services in the 90s, which reinforced the role of self-help organizations in policy formulation.

In recent years, many self-help organizations have been developing social service initiatives. Chong opined that, "The uniqueness of self-help organizations is the participation of the disadvantaged groups. It doesn't matter whether the organizations' mission is achieved through advocacy, service, or education." He emphasized that the governing bodies of self-help organizations need to understand that their strength lies on articulating the needs of the disadvantaged and they may not have the knowledge and skills required for delivering services. He noticed that some organizations would invite professionals to join the board to strengthen their governance capacity.

Self-help organizations rely much on ExCo members to manage daily routines at the early stage of development. With increased resources, they may recruit staff to take up such tasks. Chong stressed the importance of a balanced relationship between the board and the management, where the board should learn to "let go". He suggested self-help organizations define clearly the roles and responsibilities for both parties, including lists of dos and don'ts for self restraint, and be reminded of the dynamic nature of accountability within an organization. He added that, "trust, clear policies and constitutions, common understanding in mission, consensus in operation, mutual accountability culture, etc, are crucial elements in harmonizing the relationship between ExCo and staff, nurturing the organization's development."

Chong has witnessed the establishment and growth of many self-help organizations during his service in the NGO sector throughout these decades. He encourages organizations to pursue continual enhancement and share best practices and insights in governance.



Chong (right) supported HKBU's Flag Day



Together with the ExCo members, Chong (second left) actively participated in advocating rights for the persons with visual impairment.

# GOVERNANCE IN ACTION

## HOW TO THINK ABOUT GOVERNANCE?

### *From What to Make of Your Vision, Mission, Value Statements to Board Members' Assessment*

"The way to think about governance is not day-to-day," according to Prof Robert Gertner of The University of Chicago Booth School of Business. What he meant is that it is extremely difficult to assess governance by observing the day-to-day operations of an NGO; "Governance always works if it is business as usual – it doesn't matter so much," he explained, speaking at the Governance Symposium took place in November 2017. Rather, it is at moments of unexpected crises or when opportunities arise that an NGO's governance gets tested – whether the organization has a governance structure in place that can lead to effective decision making with regard to managing the new crisis or seizing and materializing the opportunity.



*Prof Robert Gertner of The University of Chicago Booth School of Business*

New Life Psychiatric Rehabilitation Association (New Life)'s experience with its last Chairperson succession testified such proposition. In 2006, Dr Raymond Wu, the first Chairman of New Life's Executive Committee (ExCo), passed away after a tenure of 40 years. Dr Wu's passing away, expectedly or not, incentivized New Life's better succession planning.

Furthermore, New Life took advantage of the opportunity to propel its transition from traditional volunteerism to modern board governance – it undertook a strategic review at the governance and senior management level: the organizational structure that defines the roles of Executive Committee, subcommittees and management was reviewed; human resources, pay and benefit policies examined; and administration and management policies streamlined; and most important of all, New Life's statement of vision, mission and values (VMV) was revisited, extended to cover also the wellbeing of the caregivers and the general public in addition to only people recovering from mental illness. This series of strategic moves, almost an overhaul, contributed to the enhancement of organizational efficiency and overall performance, enabling New Life to better respond to the new social needs that had emerged in the 2010s.



*Prof Fanny Cheung of New Life*

Needless to say, an organization's VMV determines the making of any big decisions by board members, as they are the very foundation of an organization that defines its existence and stewards its continuous development; as Prof Gertner has succinctly put, "such statements should not be a political one that makes everybody happy, but a guide to tough decisions about where the organization could go when there are threats or opportunities." On making the uneasy balance between working towards a social goal and balancing the books, for example, an NGO's VMV would most likely connote prioritizing the former, seeing making a financial return as the means to achieve that. Speaking of the major review recently conducted on its social enterprises, New Life's ExCo has decided "to minimize loss rather than aiming at making profit," said Prof Fanny Cheung, Chairperson of New Life, echoing the "mission first" orientation of NGOs.

# GOVERNANCE IN ACTION

Also, New Life's experience highlights that an NGO should regularly review its VMV, in order to ensure that it aptly provides the direction apposite for its needs pertaining to its developmental stage and the evolving circumstances. Prof Gertner elaborated that it is underneath the rather brief and virtually ambiguous VMV that programs are listed with more details, of how to manage the organization and what activities it engages in. In other words, the purpose, indeed the power, of VMV lies in communicating the ultimate objective of the organization, but with details so few that the many possibilities of its manifestation are not stifled, its great potential not impeded.

The board's commitment to being engaged with the organization is the most fundamental to good governance. And, it is not just their time that is required, but their determination and perseverance to properly understand the issues and to work closely with the management team to deal with the unexpected situations. Engagement with board members starts before the person is recruited to the board - if not even earlier. Already during recruitment, the organization sends a real signal to the candidate how the board operates, what it means to be on the board, and how incumbent board members think the board should run – the process should be rigorous and be taken seriously. Then after the person is recruited, apart from induction and orientation, review and feedback on their participation or performance should be provided, possibly on an annual basis and through one-on-one conversations with the Chairperson or the governance committee, covering what they have done for the board and the plan going forward. A transition should be made, if necessary, in a way that is clear and not creating the stigma that associates with it.

*Presentations by Prof Gertner and Prof Cheung are available for download and viewing online:*

*<http://governance.hkcss.org.hk/node/165>.*



*Our special thanks to Prof Gertner and Prof Cheung for their insightful presentation and generous sharing at the Governance Symposium held on 1 November 2017; and Mr Lester Huang for moderating the session.*

- *Prof Robert Gertner is Joel F. Gemunder Professor of Strategy and Finance, and John Edwardson Faculty Director of Rustandy Center for Social Sector Innovation of The University of Chicago Booth School of Business (far right)*
- *Prof Fanny Cheung is Chairperson of New Life Psychiatric Rehabilitation Association, and Pro-Vice-Chancellor of The Chinese University of Hong Kong (middle)*
- *Mr Lester Huang is President of The Hong Kong Federation of Youth Groups, and Member of Steering Committee on NGO Governance Platform Project of HKCSS*

## UPCOMING ACTIVITIES

### Seminar on “New Requirements of the Companies (Amendment) Ordinance 2018”

The Companies (Amendment) Ordinance 2018 (“Amendment Ordinance”) was passed by the Legislative Council on 24 January 2018 and will come into operation on 1 March 2018. All local companies (except those have shares listed on the Stock Exchange of Hong Kong) are required to maintain a significant controllers register. At this seminar, representatives of the Companies Registry will brief responsible persons of NGOs incorporated as companies in Hong Kong on how to comply with the new requirements and obligations of the Companies (Amendment) Ordinance 2018. Details as below:

<b>Date &amp; Time:</b>	27 February 2018 (Tuesday) 6:30pm – 8:00pm	<b>Language:</b>	Cantonese (materials in English)
<b>Targets:</b>	Board and committee members (top priority), companies secretaries, agency heads and senior management of HKCSS Agency Members incorporated as companies		
<b>Venue:</b>	Duke of Windsor Social Service Building, 15 Hennessy Road, Wanchai		

Interested parties please [register online](#) on or before 20 February 2018 (Tuesday). Successful registrants will be notified by email by 23 February 2018 (Friday).

### Induction Workshops for NGO Directors

Co-organized with GAME (Governance And Management for Excellence) for Public Benefit, the workshops comprising two sessions aim to equip new directors and committee members with comprehensive understanding of the sector and their roles and responsibilities as NGO governors. Details as below:

<b>Date:</b>	3 and 17 March 2018 (Saturdays)	
<b>Time:</b>	9:30am-12:30pm	
<b>Themes:</b>	Session 1 a) Understanding the NGO sector and its governance b) Board’s role in corporate strategic planning	Session 2 a) Board-management relationship b) Board’s oversight in accountability matters
<b>Speakers:</b>	Consultants of GAME	
<b>Targets:</b>	Board and committee members with service not more than 5 years; priority will be given to those enrolling for two sessions	
<b>Quota:</b>	40 persons for each session (NOT on first-come-first-serve basis)	
<b>Fee:</b>	HKD100 (for either session); HKD150 (for both sessions)	
<b>Venue:</b>	Duke of Windsor Social Service Building, 15 Hennessy Road, Wanchai	
<b>Language:</b>	Cantonese (materials in English)	

For event details and enrollment, please click [here](#).

## SNAPSHOTS



Agency Governors’ Forum on Review of Lump Sum Grant (LSG) Subvention System was held on 15 November 2017. The Council gave an introduction on the latest development in the sector in the pursuit of revamping LSG and the representatives of the boards of Hans Andersen Club, Heep Hong Society and Hong Kong Family Welfare Society shared the challenges brought about by LSG under the existing subvention system.



Directors of Self-help Organizations’ Network I was held between February to December 2017. Special thanks to the Network’s facilitator, Dr Chan Yu (front row, third right), Deputy Programme Director, Master of Social Sciences in Nonprofit Management, The University of Hong Kong. Six networking cum training sessions provided a platform for solution-focused sharing and networking on governance issues, encouraging the co-creation of governance practices by board members of local rehabilitation self-help organizations.