



Governance Health Programme PRACTICE TOOLS & TIPS

Nurturing a Purpose-driven Board Culture

Please scan following QR code for quick user's guide video



Board Culture and Organization Purpose

Board culture is the set of unwritten rules and beliefs that influence interactions, decisions and performance of Board members. Through its impact on the quality and effectiveness of governance practices, it has dominant influence on organization performance in the acquisition of purpose.

The Vantage of Purpose- driven Board



Impress Donors



Attract right talents to the Board



Align aspirations of Board and executive



Enhance bonding of Board members



Boost staff morale



Guide strategic planning



Appealing image for fund-raising & volunteer recruitment



Better resilience in facing shortage of funding

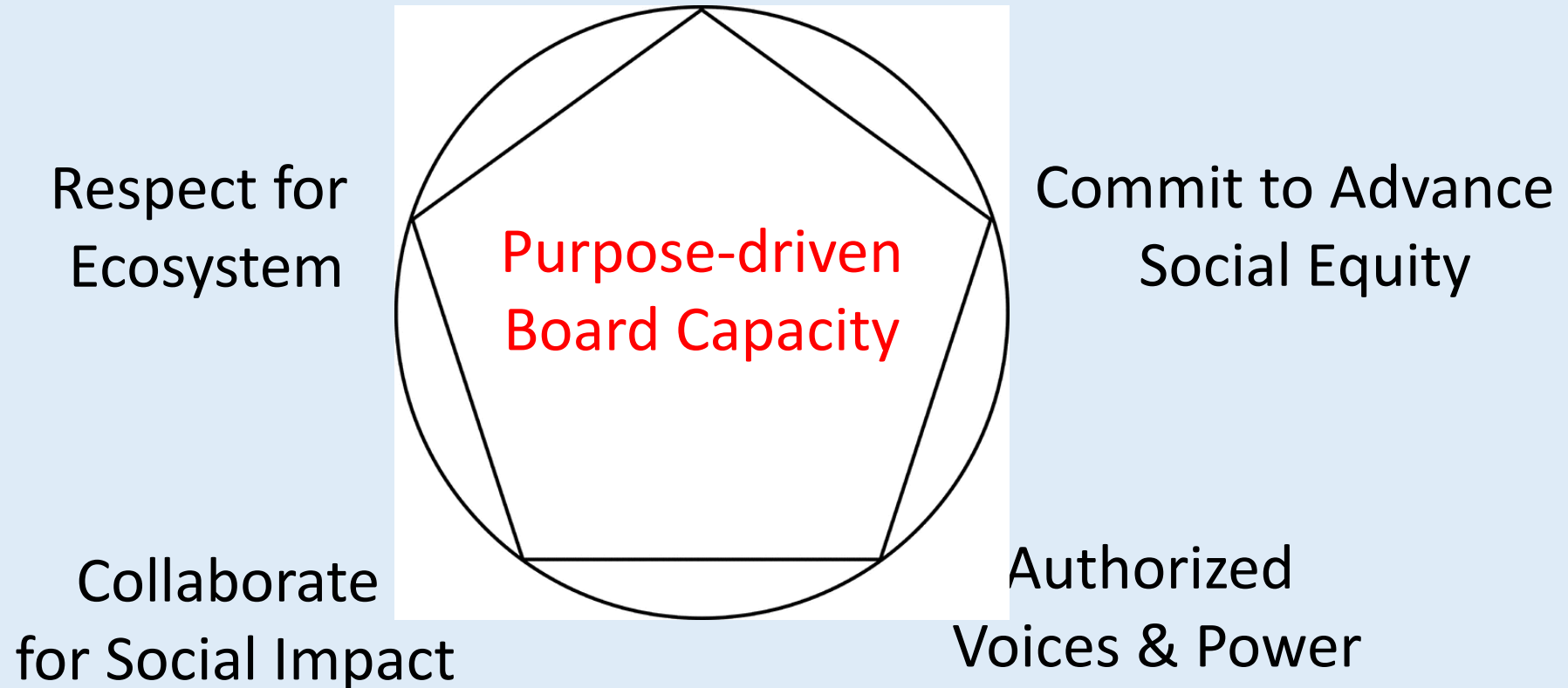
Definitions

Governance culture is the set of unwritten rules and beliefs that influence interactions, decisions and performance of Board members

Purpose-driven Board – Compass Points

(Adapted from Anne Wallestad's article in Stanford Social Innovation Review, 2021)

Prioritize Purpose
before Organization Interests



Six Dimensions of Organization Culture

*Adapted from Leading Resources
Incorporated*

Branding and Stories of Pride

Operating Principles

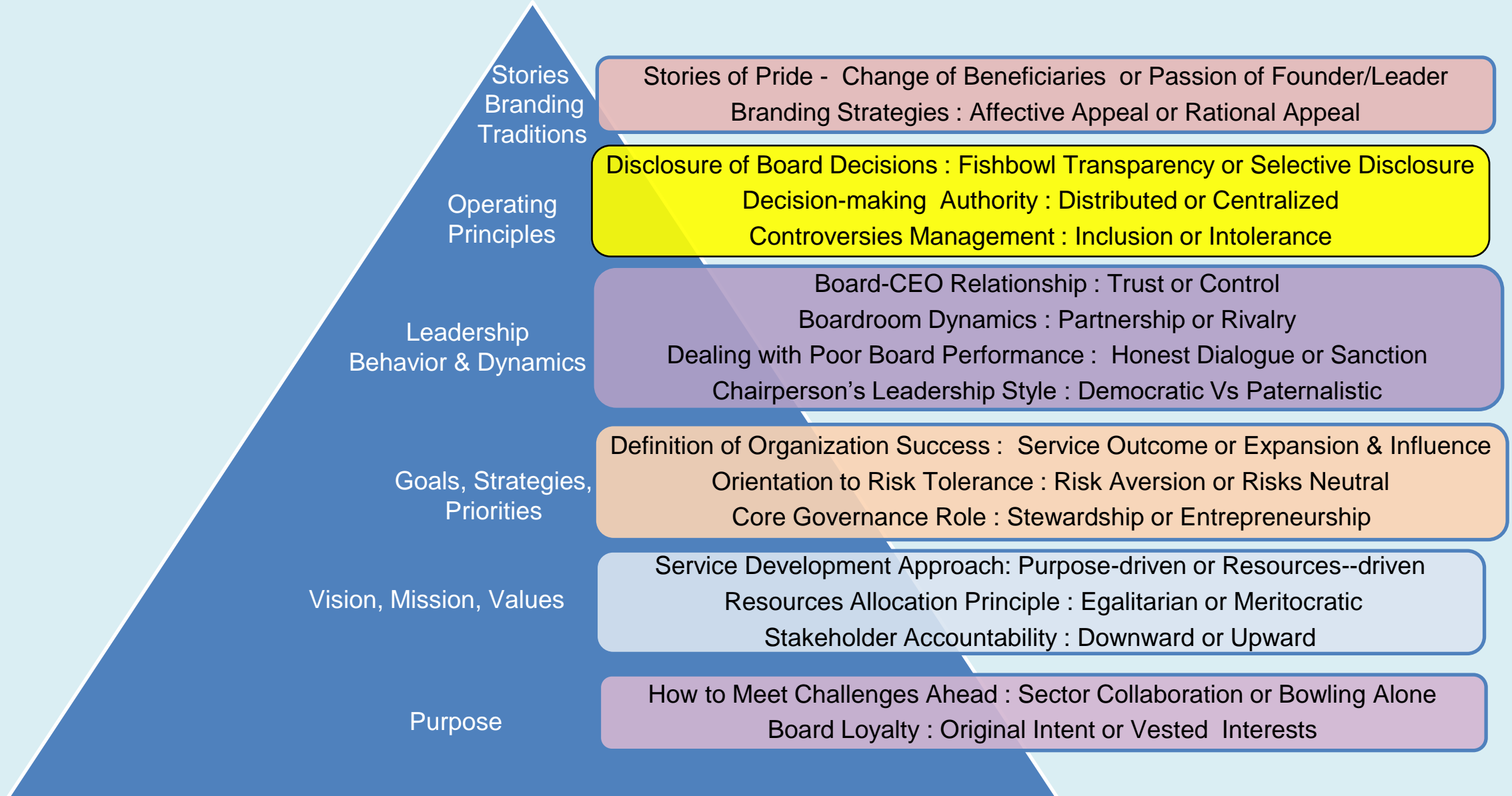
Leadership Behaviour & Dynamic


Goals, Strategies, Priorities

Vision, Mission, Values

Purpose

Dimensions of Governance Culture





Tool Box 1

Let's work together

Governance Culture Self Assessment Tool

- The following self assessment tool has six sections, corresponding to the 6 dimensions of organization culture and 17 chosen aspects of governance culture.
- To stimulate in-depth discussion, each cultural aspect is represented by a pair of bi-polar concepts. 4 questions are prepared for each concept pair to facilitate accurate assessment of each cultural aspect . From the answers to the total 68 questions, participants will be able to map out a profile of their governance culture.
- Without the intention to standardize good practice, the tool is designed to facilitate your self-reflection on your governance culture and render assistance in the identification of desirable changes which tailor the needs of your Board.

Branding and Stories of Pride I

How do you impress upon the public?

Through Stories of Change of Beneficiaries or Passion of Founder/Leader ?

- Are stories of beneficiaries extensively used to draw donations & material support ?
- Can people envision the impact of your programs to the lives of the beneficiaries ?
- Do people know your Organization through the mission and good work spearheaded by your Founder/leader ?
- Have your staff, volunteers and supporters inspired by the passion and commitment of your Founder/leader ?

Branding and Stories of Pride II

What are your dominant organization branding strategies ?

Affective appeal or rational appeal ?

- Have you often deploy touching beneficiaries' stories and volunteers' affective experiences in media pitching and organization website ?
- Have you tactfully connected the donations of supporters with your social cause through immediate relief of beneficiaries or visible impact to their lives ?
- Do you underscore output figures and service outcome in the marketing of services and programs ?
- Have you paid strenuous effort to create a public image of professional excellence and evidence-based practice ?

Operating Principles I –

Do Board members prepare to disclose all their decisions ?

Fishbowl Transparency or Selective Disclosure ?

- Do you prepare to share your strategic plans and new initiatives with the sector ?
- Are all staff well-informed about Board decisions in financial and human resource policies?
- Do you treat major source of donations as sensitive information inaccessible to public ?
- Do you only disclose resolutions but not rationale of Board deliberations to key stakeholders ?

Operating Principle II –

Who owns decision authority in the Board ?

Distributed or centralized authority ?

- Are Board members assigned to lead committees on rotational basis ?
- Are decision power delegated to appropriate level of authority ?
- Do vociferous and high-standing Board members dominate the views of the Board ?
- Do Chairperson together with CEO make most decisions on behalf of the Board ?

Operating Principles III – How are controversies managed in the Boardroom ?

Inclusion or Intolerance ?

- Does the Board encourage independent thinking and respect open communication of dissenting views ?
- Can Members express disagreement without worrying the impact on relationship ?
- Are minority views seldom discussed and recorded in minutes ?
- Does the Board often resort to arbitration or voting to resolve disputes too soon ?

Promote a board culture that encourages **independent critical thinking** and **open dissent**.

Recruit individuals with **right personalities** to thrive in such a culture.

Develop good practice of **productive discussion** of issues

Allow **dissenting board members present arguments** against board decision



TIPS FOR CONTROVERSIES MANAGEMENT

Arrange **private meeting** with members in conflict for reaching a compromised resolution.

Record dissents in the board minutes

Moderate public dissent making sure board members weigh their freedom of speech against their duties of loyalty & confidentiality as well as qualifying such dissent by stating that it is their own viewpoint and, if true, that the board decision has followed proper procedures.

Leadership Behavior & Dynamics I –

How do you describe your Board-CEO Relationship ?

Trust or Control ?

- Does The Board always endorse CEO's proposals without queries in Board meetings ?
- Will CEO be delegated the full authority to handle in all sorts of crises ?
- Have Board members used to seek information and reports directly from admin staff ?
- Are finance and appointment decisions all in the hands of the Board ?

Leadership Behavior & Dynamics II –

How would you describe your Boardroom dynamics ?

Partnership or Rivalry ?

- Do Board members speak with candor and trust in Boardroom ?
- Do members' divergent views and standpoints undermine the collective identity of Board members ?
- Do Board meetings always evolved into emotional debate and defensive interactions ?
- Are there struggles of egos and power between Board members hindering the genuine exchange of perspectives ?

Leadership Behavior & Dynamics III –

How do you deal with poor performance of Board members ?

Honest Dialogue or Sanction ?

- Are there private meeting to discuss the negative impact of poor attendance of Board members to governance effectiveness ?
- Does Chairperson give feedback and clarify expectations to misbehaved members face-to-face ?
- Are there mechanism and procedures in place to remove Board members proven of dereliction ?
- Does the Board allow under-performing Board members to renew their term of office ?

Leadership Behavior & Dynamics IV – What is your Chairperson's management style ?

Democratic or Paternalistic ?

- Can Board members freely express dissenting views with reciprocal respect ?
- Are Board decisions made based on consensus or majority opinion ?
- Does Chairperson often impose own views on other Board members ?
- Does Chairperson care about Board efficiency in decision-making but not members' participation in the meeting ?

Tips for Chairing Effective Board Meeting

(Adapted from Harvard law School)

✓ Focus the Board's attention on relevant matters

✓ Encourages independence, avoid groupthink

✓ Facilitates high-quality debates, foster inclusive discussion

✓ Actively seeks different points of view

✓ Draws out relevant experiences of members

✓ Listens and gives constructive feedback

✓ Controls vociferous members, ensure everyone is heard

✓ Asks tough questions, focus on solutions

✓ Don't make hurry conclusion

✓ Acknowledges members' contribution

✓ Ends on time

Goals, Strategies & Priorities I –

How does your Board define organizational success ?

Service Outcome or Expansion & Influence ?

- Do Beneficiaries' compliments count more than public awards in limelight ?
- Does the Board indicate concern about possible adverse impact on program quality due to rapid expansion ?
- Is scaling up services often a strategic priority of the Board ?
- Does the Board engrossed in returns of donations campaign, popularity of organization brand or ranking in subvention scale ?

Goals, Strategies & Priorities II –

What is the Board orientation to risk tolerance ?

Risk Aversion or Risk Neutral ?

- Will the Board first ensure safety and controllable risks exposure before engaging new projects ?
- Does the Board express strong reservation to commit additional recurrent expenses despite there's considerable operational surplus ?
- To seize expansion opportunity, Does the Board support over-stretching of organization capacity and thinning out resources of existing services ?
- Does the Board demand the Management to explore new frontiers and experiment new ways of doing things irrespective of burden costs ?

Goals, Strategies & Priorities III –

What's the core Governance role assumed by the Board ?

Stewardship or Entrepreneurship ?

- Are safeguarding assets and organizational reputation regarded as the most important duties by the Board ?
- Does the Board give low priority in generation of business income as an alternative revenue to donation and subvention ?
- Does the Board encourage leveraging community resources for maximizing social impact of the organization ?
- Does the Board undertake the primary responsibility to nurture capacity in innovation and bring in new ideas in meeting community needs ?

Vision, Mission & Values I –

What is your Board approach to service development ?

Purpose-driven or Resources-driven ?

- Did strategic development plans follow closely the mission and vision of the organization ?
- Will the Board decline donations or turn down projects that deviate from the mission of the organization ?
- Does the Board agree “service development is entirely resource dependent” ?
- Do Board members always engage themselves in soliciting more funding for service expansion?

Vision, Mission & Value II –

What is the principle behind Board decisions in Resources Allocation ?

Egalitarian or Meritocratic ?

- Is the pay system duly monitored by the Board to avert “fattening the top at the expense of the bottom” ?
- Do Board members have equal opportunity in chairing subcommittees and leading ad hoc working groups ?
- Will projects with visibility and staff with talents given favorable treatment in resources allocation ?
- Does the Board pay attention to diversities of membership or simply recruit only those with sound professional background, high social status and strong donation network?

Vision, Mission & Values III –

What is the priority of the Board in attending to accountability claims of competing stakeholders ?

Downward Accountability or Upward Accountability ?

- Does the Board evaluate the feedback of beneficiaries on a regular basis, considering it as an imperative duty of the Board ?
- In managing the competing interests of key stakeholders, are those of staff and beneficiaries given the utmost importance in Board decisions ?
- Does the Board closely oversee the management in fulfilling the claims of donors and requirements of funding agreements ?
- Does the Board deem it essential for members to reach out and build relationship with donors ?

Tips for enhancing accountability to beneficiaries

01

Engagement of beneficiaries/target audience in the evaluation of service program

Incorporate beneficiaries' views when setting key performance indicators of success

02

03

Financial reports and governance policies made accessible to beneficiaries

Beneficiaries well informed about complaint channel

04

05

Engagement of beneficiaries in governance structures

Purpose 1 –

What is your stance on joint endeavours with peer organizations to meet challenges ahead ?

Sector Collaboraton or Bowling Alone ?

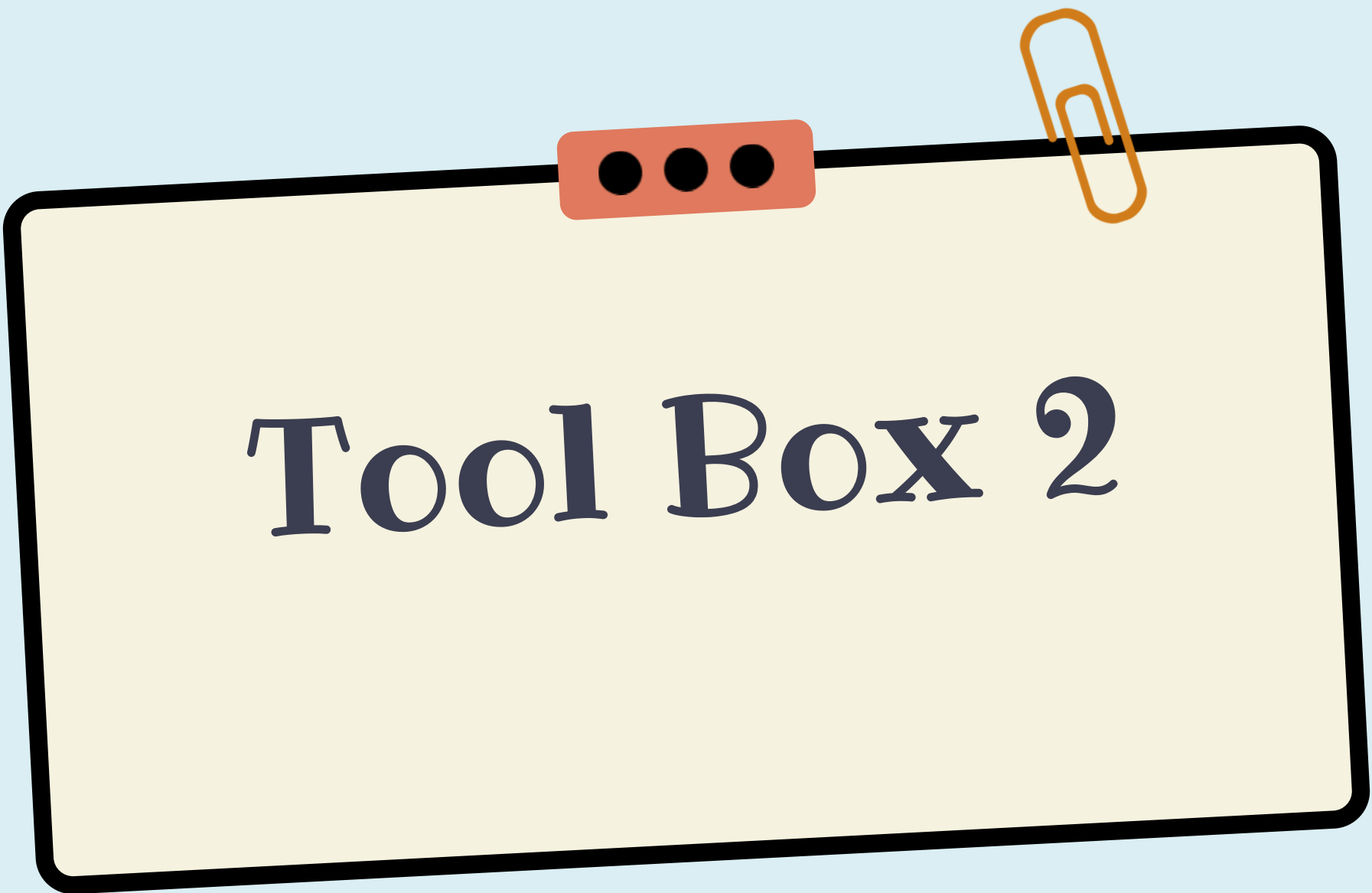
- Does the Board actively engage in building networks and seeking partnership with other service providers in the sector ?
- Do you share your organization expertise and knowledge with peer organizations ?
- Are those organizations with parallel programs and service operation regarded as competitors or partners ?
- Will the Board worry of losing independence or autonomy in joining advocacy coalition or service alliance ?

Purpose II –

What should be the ultimate loyalty of Board members ?

Original Intent or Vested Organizational Interests ?

- Are Board members' motivated by their commitment to organization mission or the status and personal gains associated with Board membership ?
- Would the Board abide closely the original intent of the organization when updating organization mission and vision ?
- Would the Board avoid transparency when public disclosure of an unethical act or malpractice may cause great harm to organization reputation ?
- Will the Board resist merging with other organizations even if organization mission and impact can be maximized ?



Tool Box 2

Developmental Pathway of Organization Culture

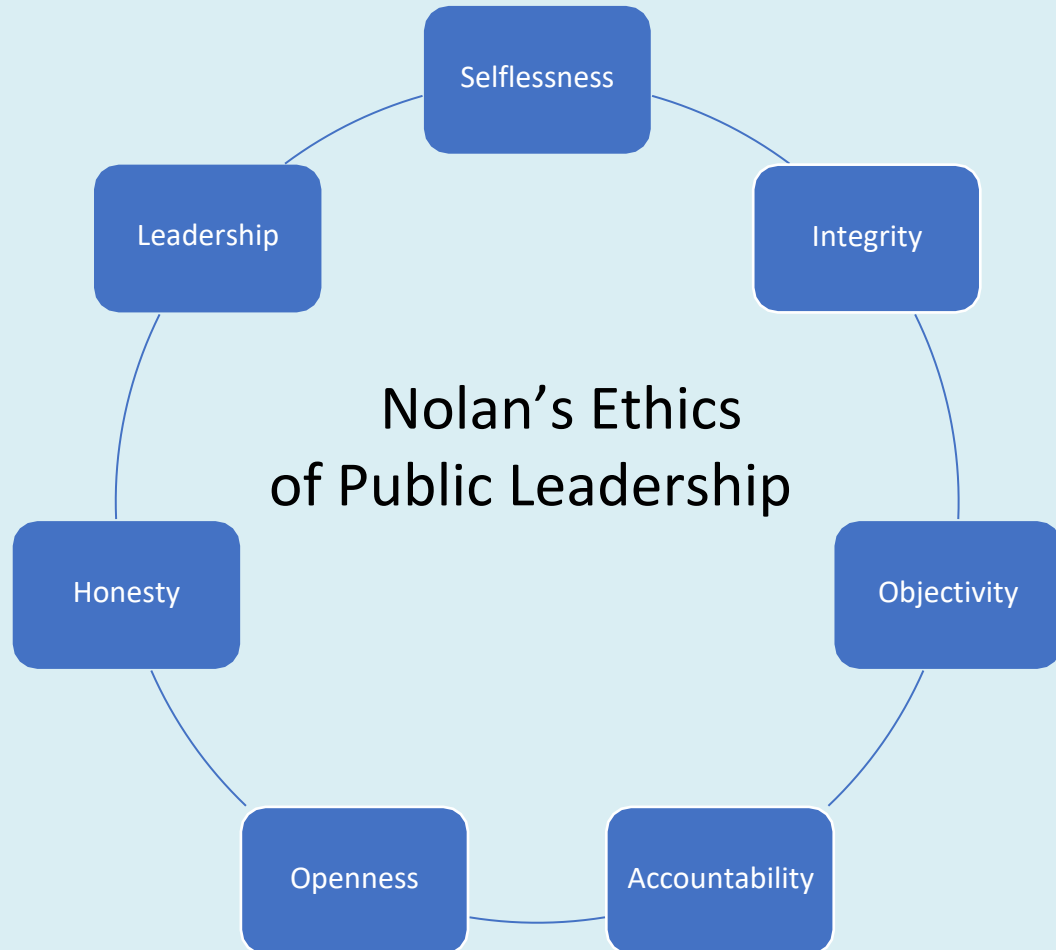
Board culture in parallel with the development of
the organization may evolve new
communication patterns and decision-making
principles

Developmental Stages of Board Culture

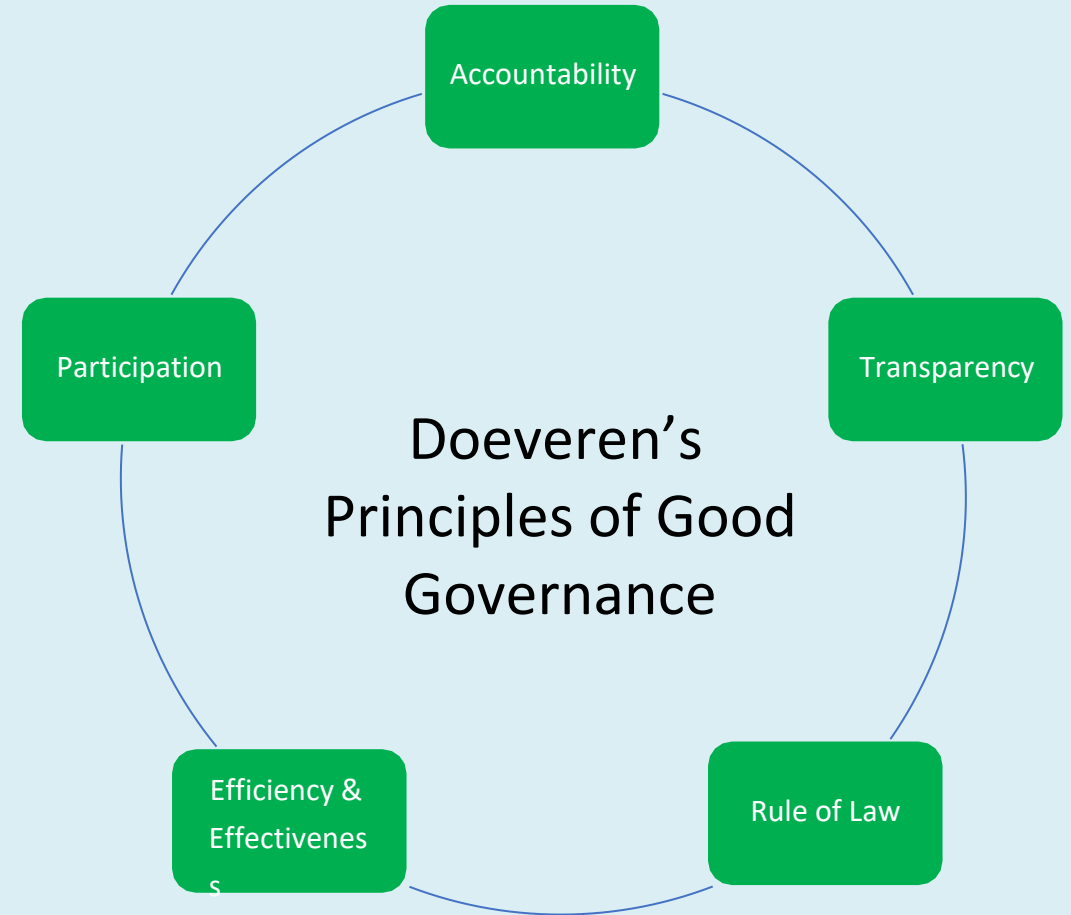
(Adapted from *Leading Resources Incorporated*)

Stage	Decision Based on	Communication Pattern
Hierarchical Culture	Judgment of the top authority	Top down
Goal-Driven Culture	Achievement of common goals	Dynamic
Values-Based Culture	Common understanding of what are essential to performance	Complex
Joint Leadership Culture	Joint leadership built on shared belief of organization VMV	Seamless

Tips – The Two Driving Wheels of Purpose-driven Governance Culture



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