

# Navigating Change and Transformation: 21st -Century Board Governance

# Literacy and Beyond



## LITERACY TEXAS ANNUAL CONFERENCE 2024

CLARK & SANCHEZ  
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**Vicki Clark**



**Chela Sanchez**

An aerial photograph of a river winding through a lush, green forest. The river is dark blue and flows from the upper left towards the lower right. The surrounding forest is dense and vibrant green, covering rolling hills and valleys. The sky is a clear, pale blue. The text "INDIGENOUS LAND ACKNOWLEDGMENT" is overlaid in large, white, bold, sans-serif capital letters across the center of the image.

# INDIGENOUS LAND ACKNOWLEDGMENT



**— NATIONAL —  
DISABILITY  
INDEPENDENCE  
DAY —**  
JULY 26



JULY IS  
**DISABILITY**  
PRIDE MONTH



**NELSON**  
**MANDELA**  
INTERNATIONAL  
DAY







## **Who We Serve & How We Serve**

**The Mission:** The mission of Literacy Texas is to connect and equip literacy programs through resources, training, networking, and advocacy.

**The Vision:** Our vision is that every literacy organization in Texas will have the resources it needs to help as many people as possible learn basic literacy skills in order to participate fully in society.

# Effective Board Service & Leadership is IMPERATIVE



**LEADERS**

IN THE NONPROFIT SECTOR

TACKLE THE MOST

**COMPLEX**

**PRESSING**

&

ISSUES FACING OUR COMMUNITIES

**AND THE WORLD**

# Literacy is a Basic Human Right

**Literacy is a bridge** from misery to hope. It is a tool for daily life in modern society. It is a bulwark against poverty, and a building block of development, an essential complement to investments in roads, dams, clinics and factories. Literacy is **a platform for democratization**, and a vehicle for the promotion of cultural and national identity. Especially for girls and women, it is an agent of family health and nutrition. For everyone, everywhere, literacy is **a basic human right...** Literacy is, finally, the road to human progress and the means through which every man, woman and child can realize his or her full **potential**. ~Kofi Annan



# **5 PILLARS OF THE RIGHT TO LITERACY**

**Pillar 1: Building the Community**

**Pillar 2: Strengthening the Family**

**Pillar 3: Ensuring People's Right to Self-Determination**

**Pillar 4: Improving the Workforce**

**Pillar 5: Transforming the Literacy System**

# **Peter Drucker's 5 Questions For Leaders**

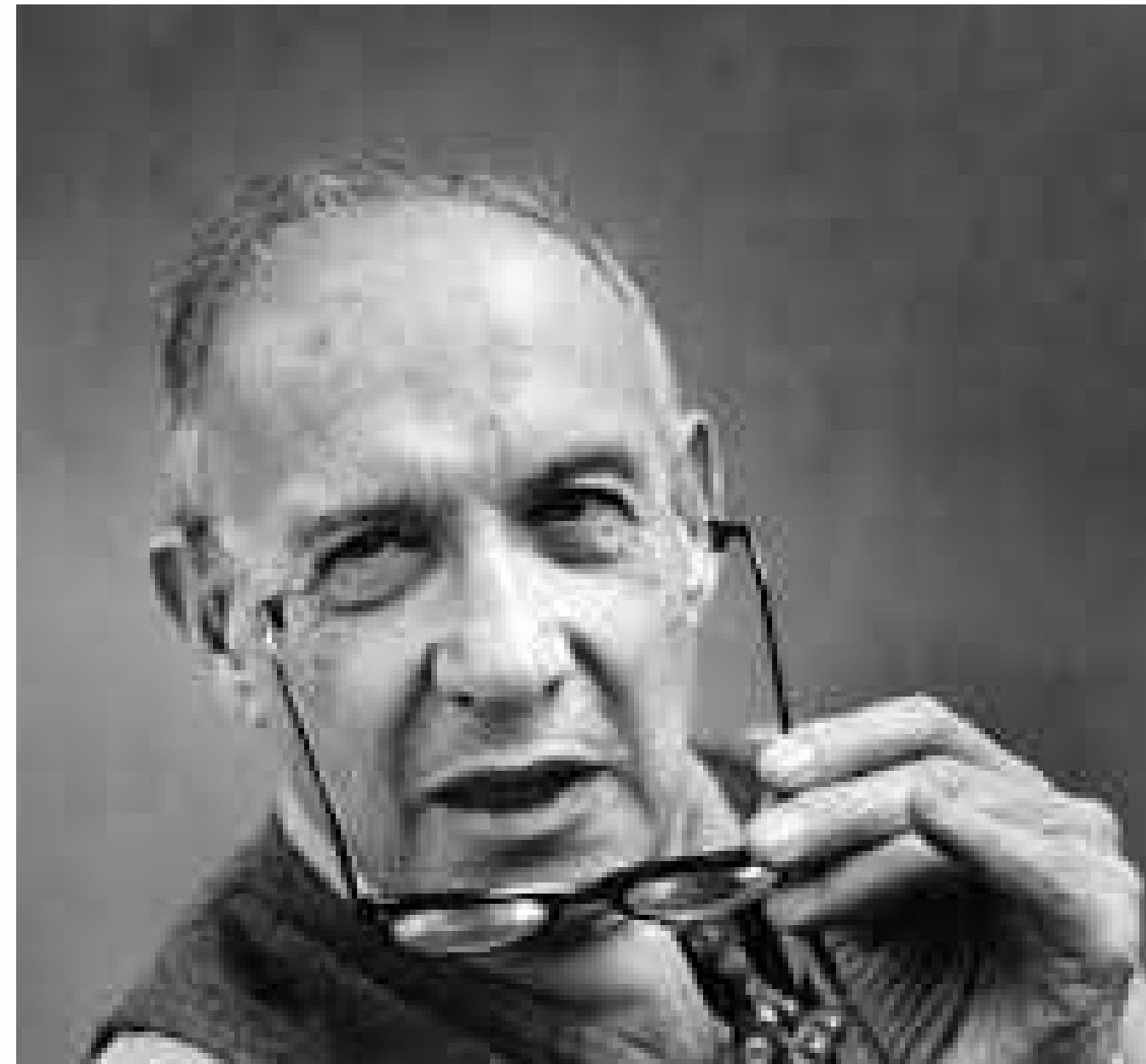
**What Is Your Mission?**

**Who Is Your Customer?**

**What Does Your Customer Value?**

**What Are Your Results?**

**What Is Your Plan?**



**Exceptional boards  
add significant value.  
They make a  
discernible difference  
to the organization's  
advance on mission.**





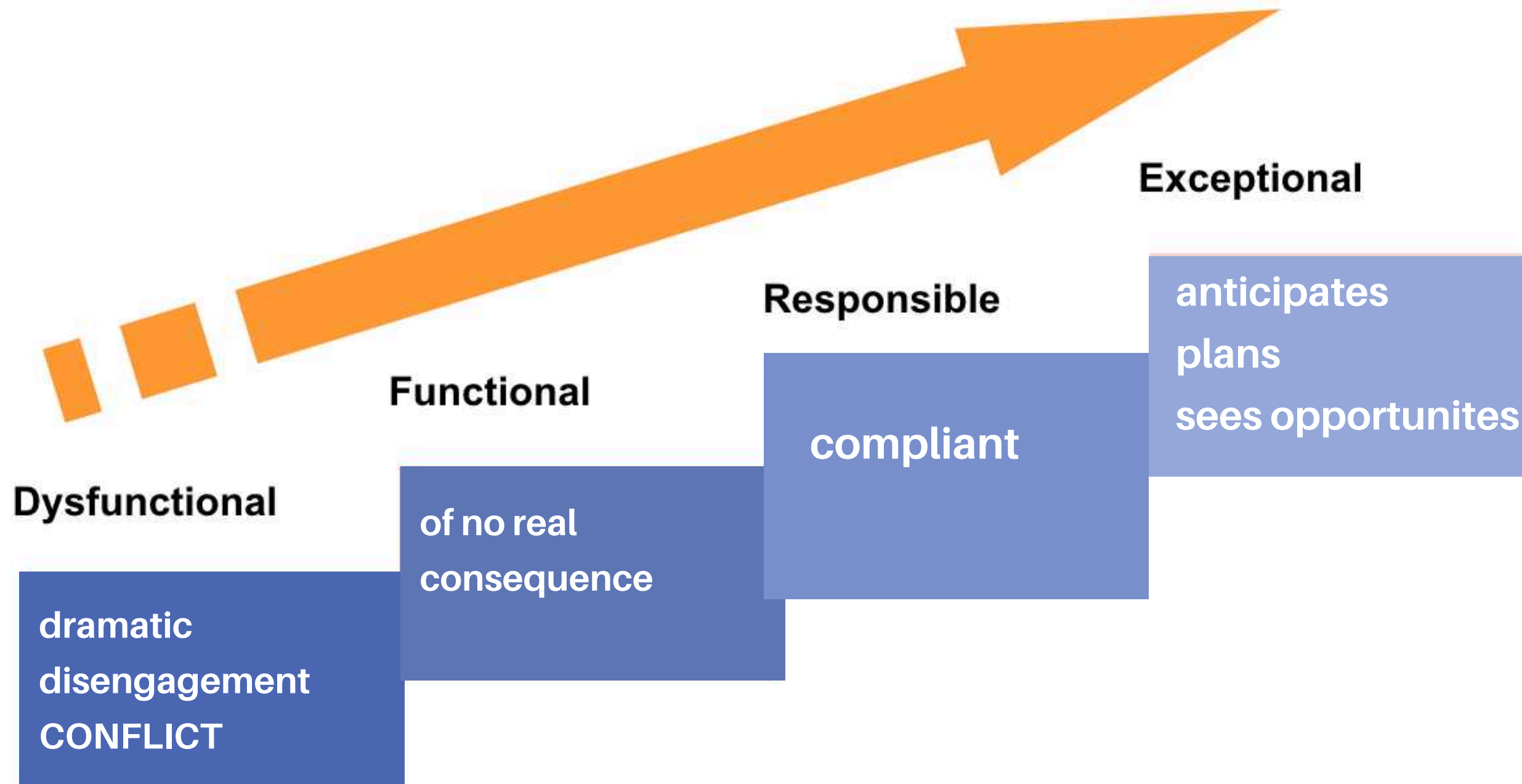
Each  
Board  
is  
**DIFFERENT**

**“We need to  
forget what  
we think we  
are, so that we  
can really  
become what  
we are.”**

**— Paulo Coelho**



# Range of Board Participation & Effectiveness



# Think About It....



1. What are your hopes for this board? Why?
2. What are your concerns for this board? Why?
3. What should be this board's top 3 priorities? Why?
4. What do you think will be this board's top 3 greatest challenges?
5. When you talk to others about this board what do you say?





# What's Changed? **EVERYTHING**



- 1. GOVERNANCE**
- 2. BOARD MEMBERS**
- 3. GLOBAL/COMMUNITY ISSUES**
- 4. TECHNOLOGY**
- 5. FUNDING SOURCES**
- 6. FUND DEVELOPMENT**
- 7. VOLUNTEER ENGAGEMENT/MEMBERSHIP STRATEGIES**
- 8. PARTNERSHIP DEVELOPMENT**
- 9. NONPROFIT MANAGEMENT/STAFF LEADERSHIP**
- 10. ????**

# **“EFFECTIVE ACTION...” Leading Change**



**“Leaders must create an environment that embraces change not as a threat but as an opportunity.”**

- WARREN BENNIS

# STRUGGLES OF TRANSITION





# Three Stages of Transition

---

**"Endings,"** which can produce sadness, anger and remorse

**"Neutral zone"** which brings fear and confusion along with space for creativity

**"New beginning,"** a mix of confidence over what has been gained, excitement for what's to come and anxiety over sliding backwards



# Change vs. Transition

**Change Can Happen Quickly;  
Transitions Take TIME**

- It isn't the changes that do you in
- It's the TRANSITIONS!
- Change is not the same as transition. Change is situational.
- Transition is the psychological process people go through to come to terms with the new situation.
- Change is external, transition is "INTERNAL."

-- William Bridges, Managing Transitions



# Time to “UNLEARN”

“Transformation  
is often more  
about  
unlearning than  
learning”

Richard Rohr

**You Can't  
Change What You  
Refuse to Confront**

@vickiclarkconsulting



IF YOU CHANGE  
THE WAY YOU  
LOOK AT THINGS,  
**THE THINGS  
YOU LOOK AT  
CHANGE.**

WAYNE DYER

**LET'S  
CHANGE  
THE WAY  
WE LOOK  
AT  
BOARDS**

# LEADING WITH INTENT

Figure 3: The Who, What, and How of Board Performance



## PEOPLE (WHO) Board Composition & Structure

### Composition

- Size & Terms
- Composition/Diversity + Inclusion
- Recruitment & Elections

### Structures

- Committees
- Meetings



## WORK (WHAT) Board Responsibility

### Strategy & Programs

- Mission, Vision, Programs
- Strategic Planning
- Strategic Issues

### Ambassadorship

- Advocacy & Public Policy
- Fundraising

### Financial Oversight & Accountability

- Financial Oversight  
& Sustainability



## CULTURE (HOW) Leadership & Board Dynamics

### Board Development

- Role Clarity
- Orientation
- Assessment

### Board Dynamics

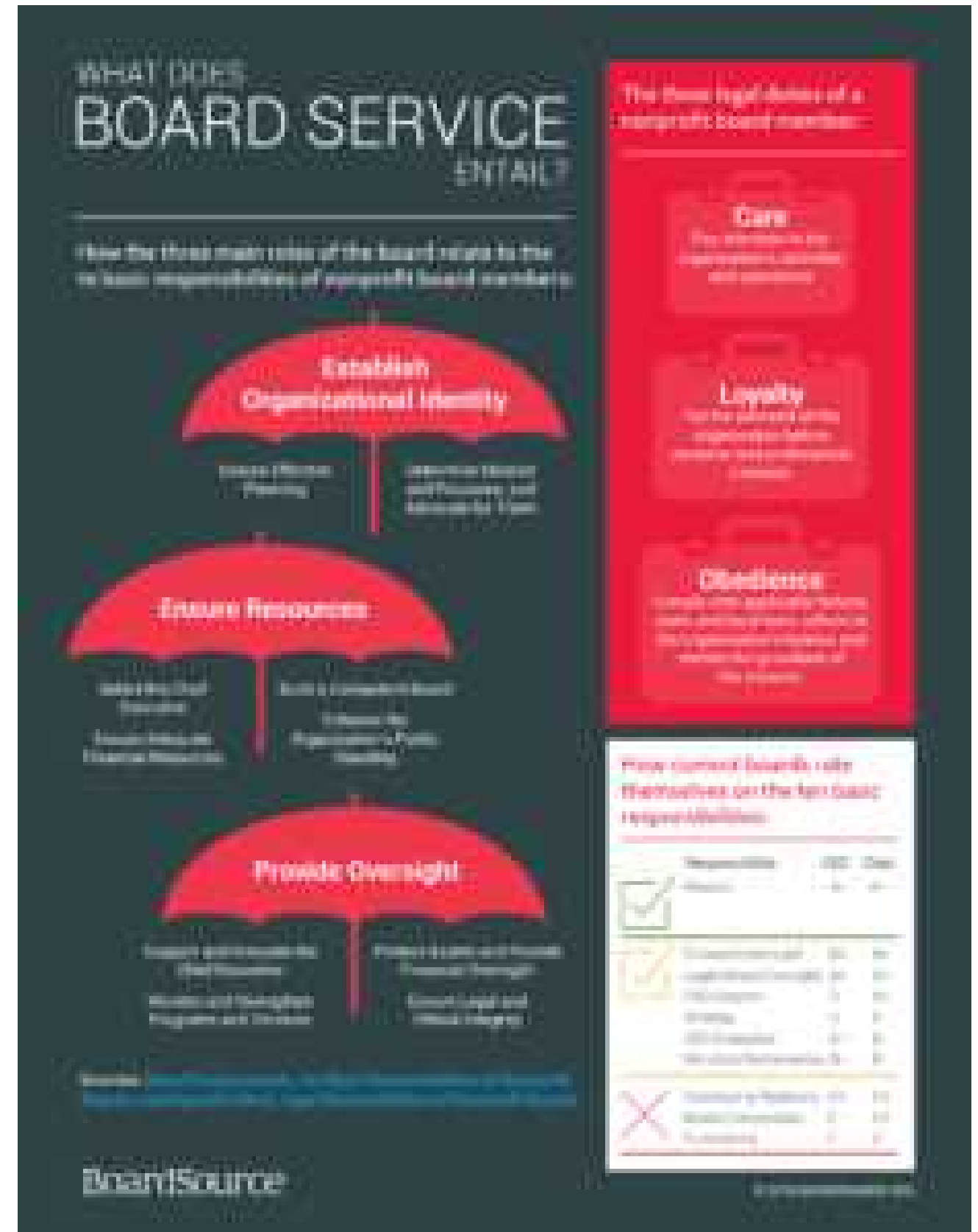
- Chair & Board Succession Planning
- Group Dynamics & Board Member Engagement

### CEO Relations

- Constructive Partnership
- Evaluation & Compensation
- CEO Succession Planning

# TEN BASIC RESPONSIBILITIES OF NONPROFIT BOARDS

1. Define mission & purposes & advocate
2. Select the Chief Executive
3. Support & evaluate Chief Executive
4. Ensure effective planning
5. Monitor & strengthen program and services
6. Ensure adequate financial resources
7. Protect assets & provide financial oversight
8. Build & sustain a competent board
9. Ensure legal & ethical integrity
10. Enhance organization's public standing



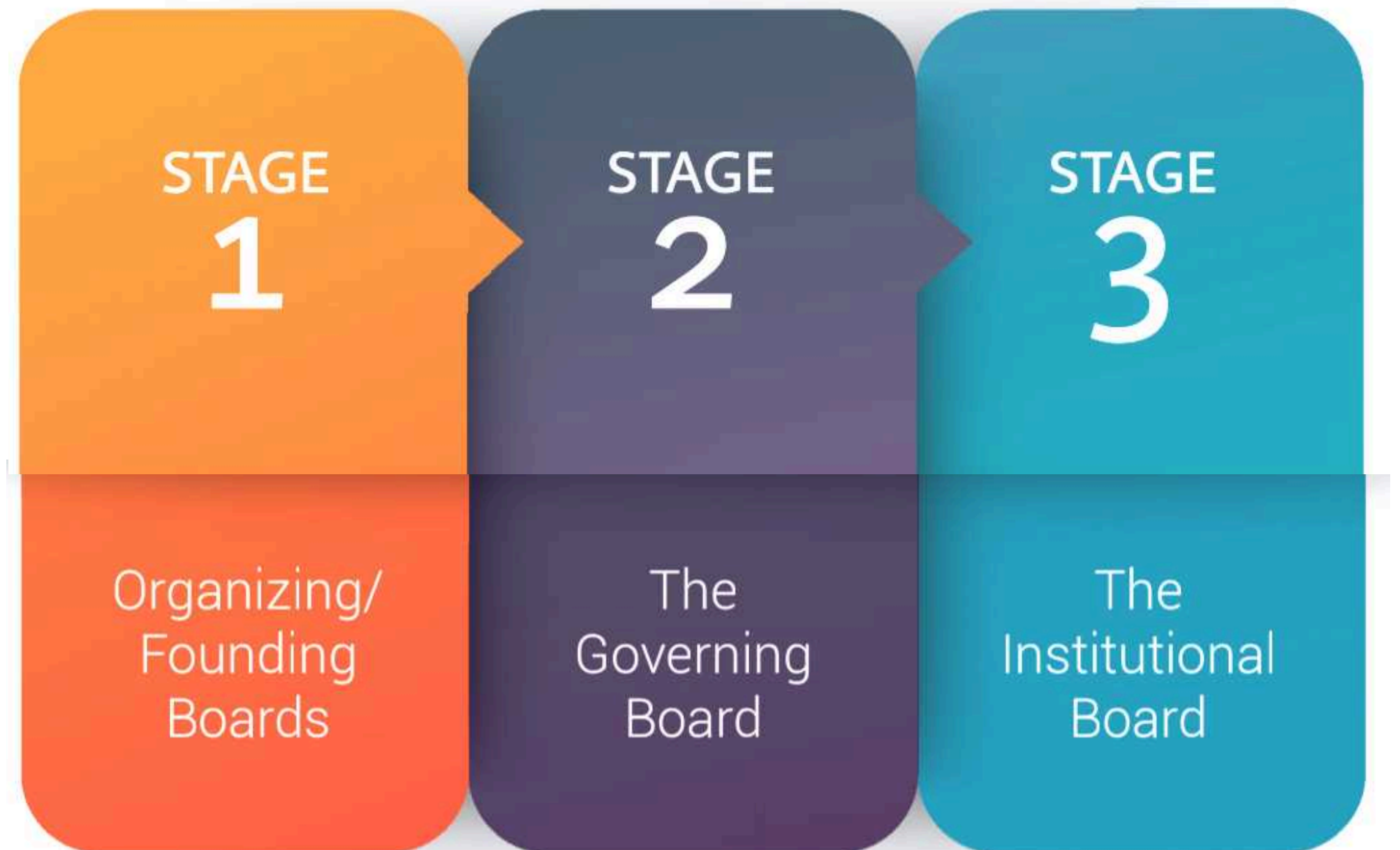


# Board Passages:

## Three stages in a nonprofit board's lifecycle

**Boards are not —  
and should not —  
be static.**

**To be effective, they must change  
and evolve as their organizations  
change and grow.**



# Effective Governance Required

- **Accountable**
- **Transparent**
- **Responsive**
- **Effective and Efficient**
- **Participatory**
- **Equitable and Inclusive**
- **Consensus-oriented**
- **Follows the Rule of Law**



# Legal Oversight

## Duty of Care

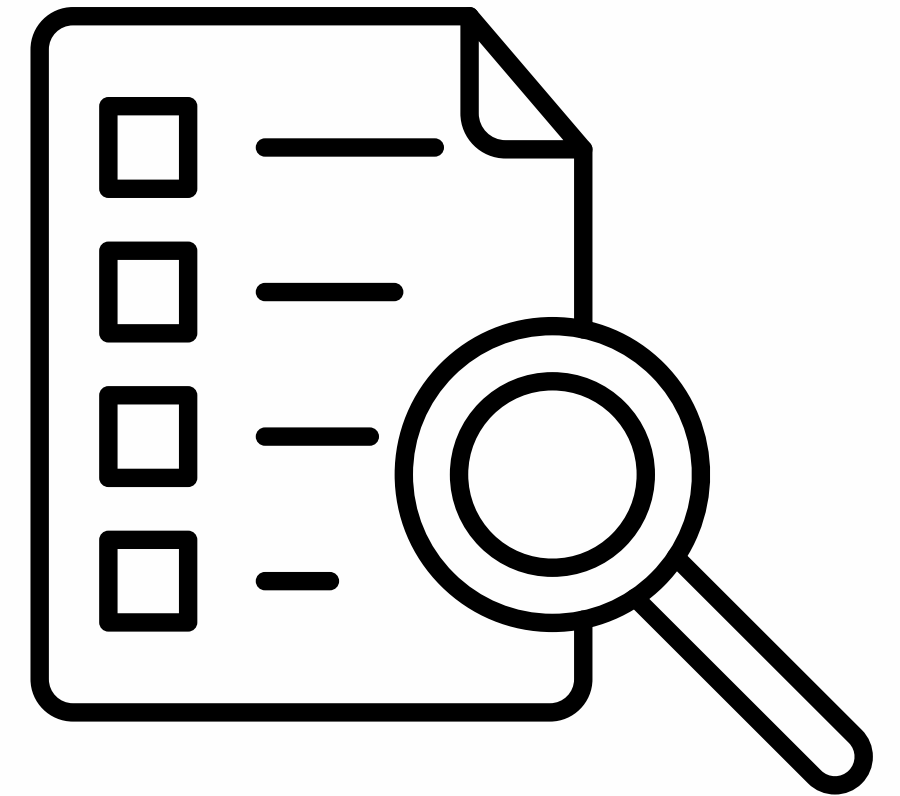
- Using your best judgment.
- Actively participating, paying attention.
- Asking pertinent questions.

## Duty of Loyalty

- Avoiding conflicts of interest.
- Putting aside personal and professional interests.

## Duty of Obedience

- Staying true to the organization's mission.
- Obeying the law, both public and organizational.





# Actions required to fulfill legal duties

## Duty of Care

- Be informed e.g.
    - Attend meetings regularly
    - Seek and review necessary information
  - Exercise independent judgment
  - Ask questions, rely only on judgment of dependable sources
- 

## Duty of Loyalty

- Avoid self-dealing transactions
  - Where directors' firm provides services or products to nonprofit
    - Make conflict known to board
    - Recuse yourself from discussion and voting
    - Encourage board to get comparative perspective (by seeking other bids)
- 

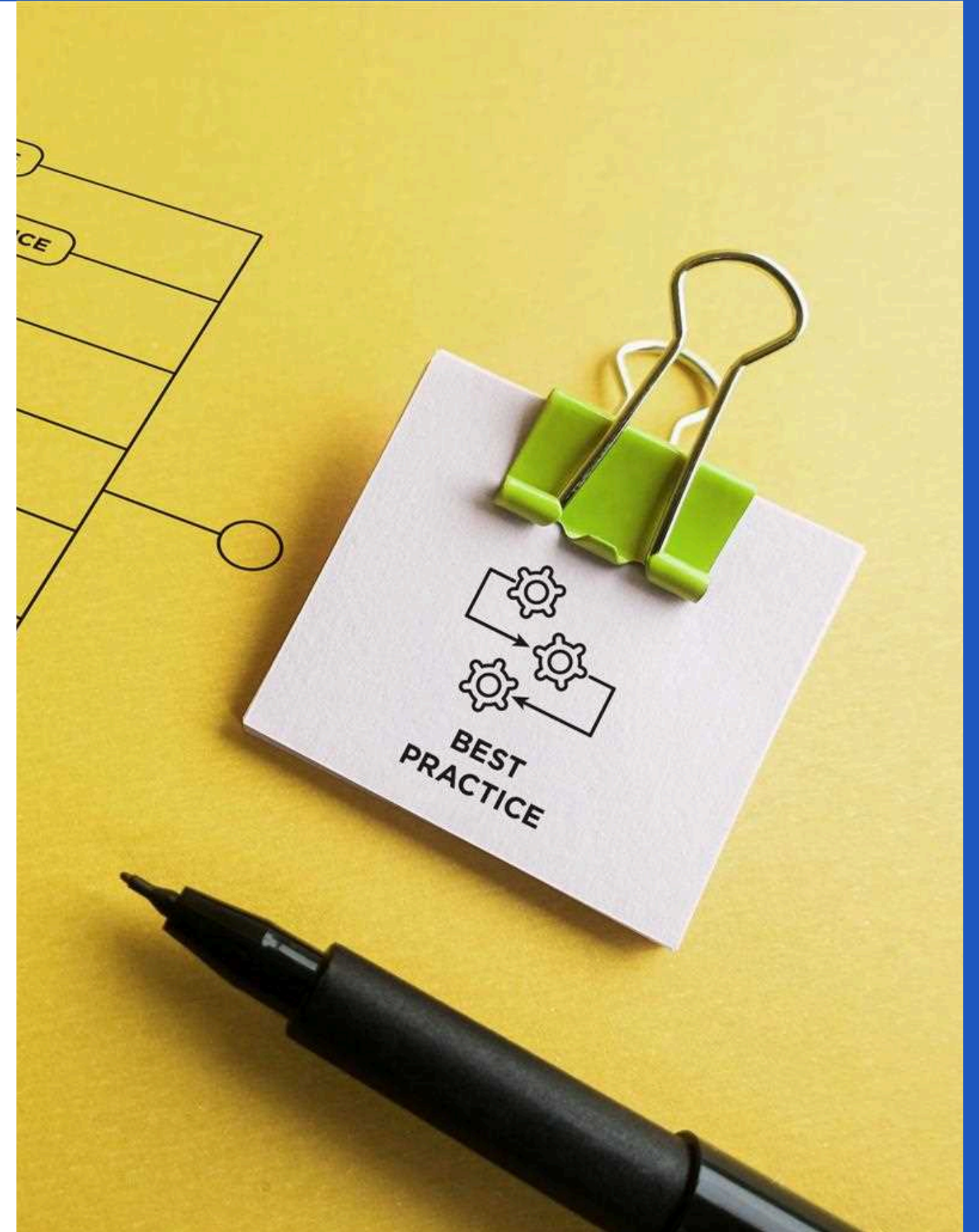
## Duty of Obedience

- Ensure decisions consistent with charitable mission
- Oversee use of funds entrusted by public

# The Board Building Cycle



# Best Practices in High Performing Nonprofit Boards





# **Best Practices**



- 1. Equity is a focus in ALL board processes, deliberations and practices**
- 2. Board structures changing evolving**
  - Number of board members is decreasing**
  - Smaller number of officers**
  - Fewer committees-More ad hoc teams/working groups**
  - Governance Committee- critical**

# Best Practices



## 3. Board development: Continuous and Strategic Education

- Orientation and training from informal to formal
- Evaluation and assessment: individual and collective
- Education: issues affecting organization and it's primary "customers"
- Governance and board development training

# Best Practices



## 4. Board composition- from personal connections to strategic diversity

- Recruitment: Focused and disciplined
- Recruitment: more complex/harder to find the “right” people
- Diversity: critical to the effective performance of nonprofit boards
- Equity focus on recruitment
- Strong leadership **REQUIRED**



# Best Practices



**5. Term limits are enforced: averages**

- 73% -3 year terms
- 46%- 2 ( maximum number of terms that can be served)

**6. Fewer board meetings**

**7. Board members/meetings focus on impact and results NOT reports**

**8. Board members focus more on governance and leadership**

**Not management and/or  
MICROMANAGEMENT**

# Best

# Practices



**9. Board members embrace roles as advocates for the mission of the organization**

**10. Pressure to diversify fund development strategy**

**11. Clarity about risk management**

**12. Board sets norms and expectations**

**13. REVIEW-REVISE-REVIVE  
EVERYTHING**

# **Best Practices**



## **Governance Committee**

**The governance committee is the committee of the board, by the board, and for the board.**

**This committee - which is sometimes called the board development committee and in the past was usually called the nominating committee ensures that the board is doing its work effectively.**



# Best Practices: Relationships

## Constructive Partnership

- Board is a powerful force supporting the organization
- CEO sees the board as a strategic asset

## Revitalization

- Term limits
- Diversity
- Recruitment
- Past board members

## Intentional Board Practices

- Size
- Committees and task forces
- Meetings



# Best Practices: Dynamics

## Culture of Inquiry

- Draw on multiple sources of information and perspectives
- Ensure all voices heard
- Advocate for solutions based on analysis

## Independent-Mindedness

- Apply rigorous conflict of interest procedures
- Avoid undue influence based on loyalty, seniority, position, reputation
- Designate devil's advocates

## Continuous Learning

- Orientation
- Beyond the boardroom
- Self-assessment





# Recommended Board Policies

- Board Member Agreement
- Code of Conduct
- Nondiscrimination
- Conflicts of Interest
- Confidentiality
- Document Retention & Destruction
- Gift Acceptance?



# **Board Member Agreement**

- **Belief in mission**
- **Familiarity with key guiding documents**

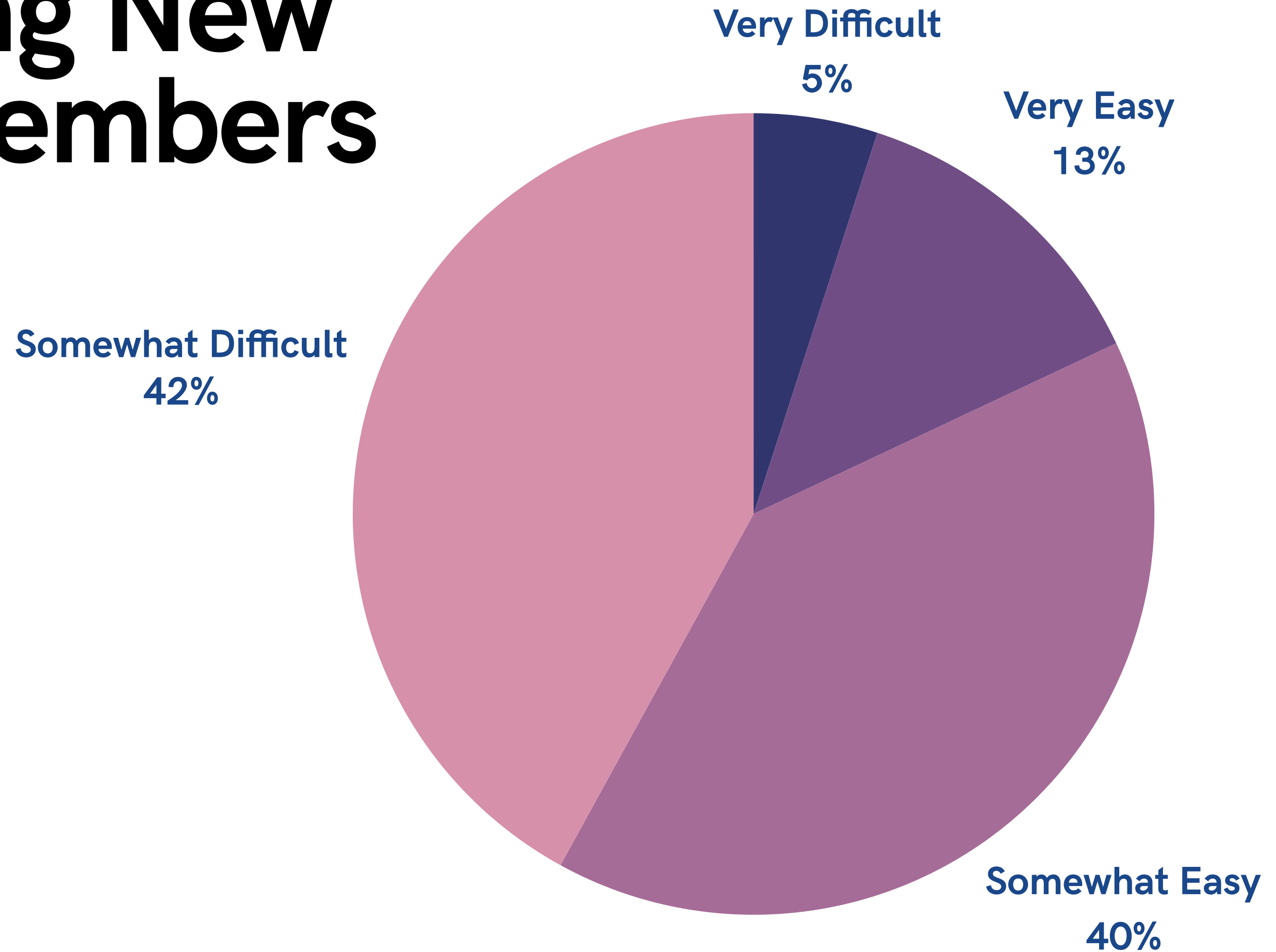
## **Responsibilities/expectations for:**

- **Participation/engagement**
- **Expectations for attendance**
- **Behavioral norms**
- **Training & education**
- **Financial commitment**





# Recruiting New Board Members



# **A BOARD'S LEADERSHIP IN DIVERSITY, INCLUSION & EQUITY MATTERS**

- 1. Boards may be getting slightly more diverse.**
- 2. Board recruitment practices are not aligned with goals of diversity, equity and inclusion.**
- 3. Boards that include people of color are more likely to have adopted diversity, equity and inclusion practices than boards that do not included people of color.**
- 4. 45% of board chairs expressed dissatisfaction with the boards' racial and ethnic diversity**
- 5. 66% of (CEOs/EDs) expressed dissatisfaction with their boards' racial and ethnic diversity**

Findings from "Leading With Intent: BoardSource Index of Nonprofit Board Practices (Washington, D.C.: BoardSource, 2021)

# **Boards should take inventory**

## **Boards should...**

- Incorporate diversity into the organization's core values**
- Modify recruitment to reach members of diverse backgrounds**
- Conduct diversity training for board members**
- Develop a detailed plan of action to create an inclusive culture**

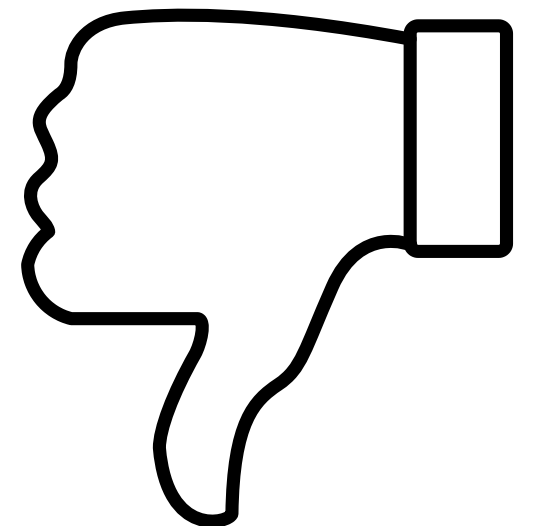


# **High performing boards are addressing issues of diversity, equity and inclusion by:**

- Committing to raising awareness and understanding of the relevance of racial inequity to the organization's mission;**
- Discussing the organization's programmatic outcomes in a way that would surface meaningful variances based on demographics; AND**
- Committing to addressing any gaps in organizational outcomes based on demographic categories and communities served.**

# AVOID TOKENISM

- No board member wants to fill a quota
- Identifying needs will help focus skills, knowledge, and representation
- No one is able to represent an entire subsection of the population
- Each board member should be treated equally and expectations should be the same for everyone



# THE SOURCE<sup>12</sup>



Twelve Principles of Governance  
that Power Exceptional Boards





# **Twelve Principles of Governance That Power Exceptional Boards**

- |                                    |                                     |
|------------------------------------|-------------------------------------|
| <b>1. Constructive Partnership</b> | <b>7. Compliance with Integrity</b> |
| <b>2. Mission Driven</b>           | <b>8. Sustaining Resources</b>      |
| <b>3. Strategic Thinking</b>       | <b>9. Results-Oriented</b>          |
| <b>4. Culture of Inquiry</b>       | <b>10. Intentional practices</b>    |
| <b>5. Independent-Mindedness</b>   | <b>11. Continuous Learning</b>      |
| <b>6. Ethos of Transparency</b>    | <b>12. Revitalization</b>           |



# The Governance Triangle



Note:  
A “culture of  
inquiry”  
cuts across all  
three



# Summary of Board Behavior in These Forms of Leadership

	Fiduciary	Strategic	Generative
<b>Key Question</b>	"What's wrong?"	"What's the plan?"	"What's the question?"
<b>Board Focus</b>	Define problems Review performance	Solve problems Shape strategy	Frame problems Engage in sense-making
<b>Board Process</b>	Parliamentary procedure	Logical and empirical discussion	More informal and creative
<b>Problems are to Be</b>	Spotted	Solved	Framed
<b>Decision Making</b>	Resolution	Reaching consensus	Framing the question
<b>Board Sees Their Role As</b>	Oversight & authority	Strategist	Fresh perspective
<b>Performance Metrics</b>	Facts, figures, finances, reports	Strategic Indicators, competitive analysis	Signs of learning and discerning

*Adapted from: Governance as Leadership: Reframing the Work of Nonprofit Boards. Chait, Ryan & Taylor.*



# THE ORIGINAL DREAM TEAM





# Constructive Partnership

Exceptional boards govern in constructive partnership with the chief executive, recognizing that the effectiveness of the board and chief executive are interdependent.

## Responsible Boards

Delegate operations to chief executive

Ensure fair and competitive compensation

Develop a job description with and for the chief

**X**

## The Source of Power

Trust, candor, and respect  
Sharing good and bad news

Communication in and between meetings

Open and honest chief executive

**=**

## Exceptional Boards

Face and resolve problems early

Support and attract qualified chief executive

Retain talented chief executive longer

Succession plan in place

# RANGE OF BOARD & CEO ENGAGEMENT

CEO Engagement

<div>Is Displacing Board</div> <div>GOVERNANCE AS OBSERVATION</div> <div>MISSING IN ACTION</div>	<div>In Constructive Partnership with Board</div> <div>GOVERNANCE AS LEADERSHIP</div> <div>MISSION DRIVEN</div>
<div>Is Going Through the Motions with Board</div> <div>GOVERNANCE AS ATTENDANCE</div> <div>PHONING IT IN</div>	<div>Displaced by Board</div> <div>GOVERNANCE AS MICROMANAGEMENT</div> <div>IN THE WEEDS</div>

Board Engagement





# LITERACY TEXAS ANNUAL CONFERENCE 2024

THE BOARD-BUILDING CYCLE



- CURRENTLY WE
- DESIRED TRANSFORMATION/GOAL
- STRATEGIES TO REACH DESIRED GOAL
- GOVERNANCE KPI's



# **Demands for the Future**

## **FUTURE FOCUSED BOARD MEMBERS**

- **Effectiveness**
  - **Outcomes and Results**
- **Efficiency**
  - **Money, Time, and Energy**
- **Accountability**
  - **Trustworthiness**



# Strategic Resilience For Board Members

- Acknowledge current reality
- Reconnect with mission, vision, value
- Communicate touch points for stability
- Focus on the future
- Define what success looks like today, in this moment
- Adjust as the future unfolds
- Swim with the current
- Fluid and flexible

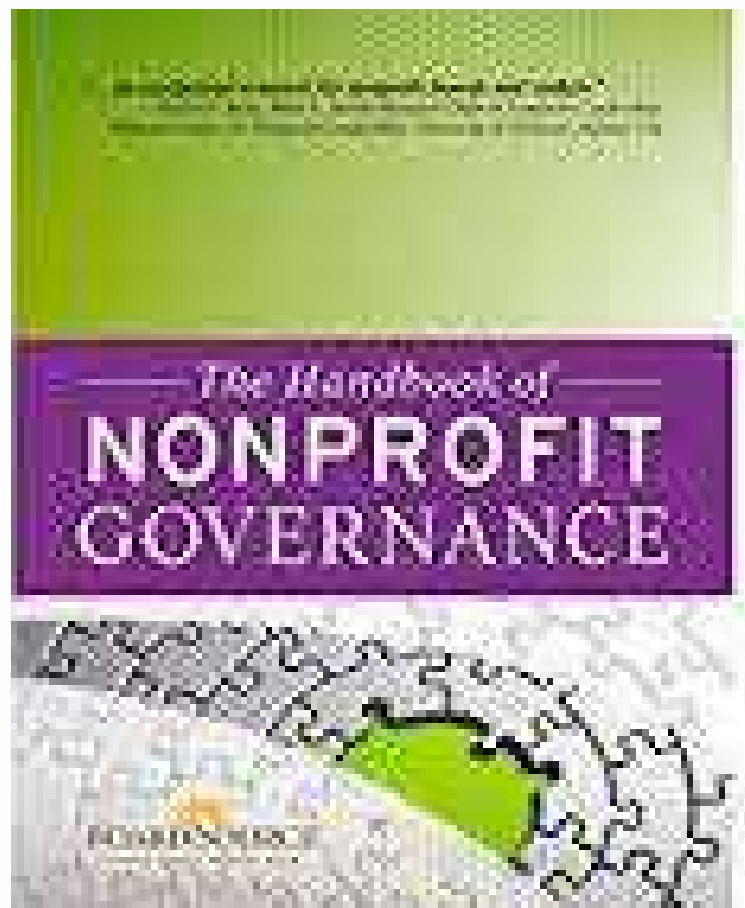




# It All Works TOGETHER

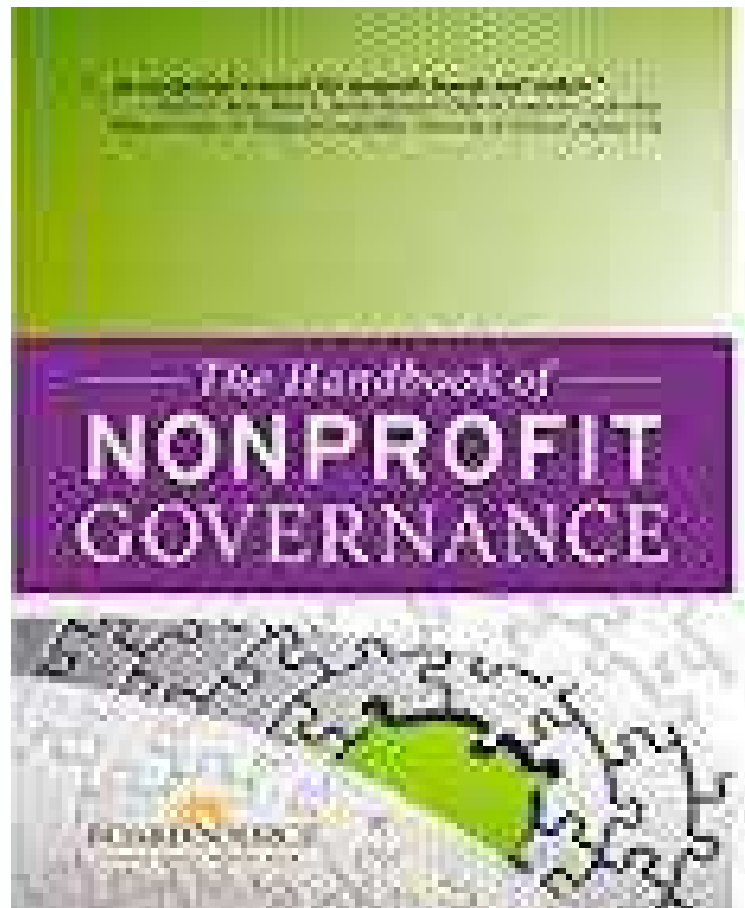


## **10 RESOLUTIONS THAT PROMOTE BOARD DEVELOPMENT**



- 1. Remember that mission and stakeholders come first.**
- 2. Ensure the organization's relevance and value to stakeholders and to society as a whole.**
- 3. Openly discuss policies, practices, and choices that further the mission.**
- 4. When new members join the board, pass the baton to them, using their unique strengths to advance the mission.**
- 5. Apply each team member's assets to all organizational needs.**

## **10 RESOLUTIONS THAT PROMOTE BOARD DEVELOPMENT**



**6. Each member of the board contributes time and money to advance the mission**

**7. Plan for the continuing contribution of those rotating off the board who still wish to be involved in the organization.**

**8. Focus on the organization's future.  
Don't just fall in love with its past.**

**9. Exhibit courage, flexibility, and willingness to change as challenges and opportunities emerge.**

**10. PLAN FOR A MARATHON NOT A SPRINT!!!**



# Mission & Goals

- **Agree that all board actions result in moving the mission forward and adding value to members partners and organizational viability**
- **Clearly define desired outcomes-from strategic plan**
- **Ensure that everybody is talking about the same things at the same time**
- **Same goals for everyone**
- **No hidden agendas**





**“A good  
board is a  
victory  
not a gift.”**

*Cyril O. Houle, Governing Boards*

# Session Enhancements

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