Enhancing the Emergent Capacity of Governance Volunteers:
What We've Learned So Far

A governance research project, hosted by the Institute of Nonprofit Studies, began in 2006. The

project explores, in the tradition of grounded theory (Glaser & Strauss, 1967), how governance

volunteers can realize greater community impact through their work. The underlying assumption

of grounded theory is that "people make sense of and order their social world even though, to the

outsider, their world may appear irrational" (McCann & Clark, 2003, p. 8). The project used a

peer learning circle approach in which small groups of governors discussed challenges and

reflections on governance through facilitated meetings. The overall project was divided into a

series of smaller research phases:

- The first (Seel, 2006) phase of the research focused on volunteer governors representing

  organizations from multiple subsectors such as: arts, health, human services, recreation, and

  faith. Results indicate that governors paint a very different picture of governance than the

  current body of literature on the subject does. Governance as a *process* in academic

  literature is different from how governors live the experience as a *practice*. Being a

  governor as understood from reflection on one's experience on a board of directors is

  different than an understanding of the role derived from either training or reading about

  governance (Seel & Iffrig, 2006).

- The second research phase (Angelini & Seel, 2007) highlighted the experience of volunteer

  governors in Christian faith-based organizations. These governors do not identify their

  experience as "board governance". Their experience is understood as a secular intrusion

  into a world of faith and spirituality. Governor's on faith-based organizations struggle with

the boundary between the self-as-individual and the self as a member of a collective while serving on the board. This theme appears in other research pieces on governance. In this case, however, the boundary between the individual and collective consists of concerns in: identity, social patterns, roles, and faith.

- The most recent phase of research focused on governors of arts organizations (Angelini & Seel, 2008). Volunteer governors of arts organizations expressed challenges and difficulties in understanding their role as governors. Specifically, they talked about issues that can be categorized as involving: identity, authenticity, roles, and legacy.

Preliminary analysis of the three research phases appears to indicate that the activity of determining what it means to be a governor is similar for all governors in two ways: the need to communicate authentically and build relationships that serve identity. How this occurs will likely require a different process in each subsector. This paper will review the common governance challenges that surfaced in the research conducted over the last three years. The aim of this analysis is to suggest how governors could be better supported to enrich their capacity as governors. The words governor, governance volunteer, director, and board member are used interchangeably throughout the discussion.

Surfacing Governance Challenges

Early in this line of research a particular governance mantra emerged from the participant commentary: *governance of the community, by the community*. If we are to believe that through governance of nonprofit organizations the strength and health of communities will be enriched, then we will need members of the community to engage with the governance process directly. Participants indicated that what matters most is that governors:

(a)   work with a view to creating a particular future for the community;

(b)   take risks for the sake of reaching that particular future and acting with congruence between individual values and organizational values;

(c)   use power effectively by articulating governance limits, outcomes, change processes/values, and deploying resources effectively;

(d)   act as internal and external agents for mission achievement; and

(e)   keep a strong command over a body of knowledge which includes knowledge about governance processes as well as the tools and knowledge that come by way of professional expertise like legal or financial expertise.

The importance of meshing organizational and individual values was supported by the governors from faith-based organizations. This group also gave voice to the use and misuse of power in setting limits, outcomes, expectations and change for an organization. This group of governors did not support the concept of governance for the community, by the community as found in the first phase of research. The personal identity of the governors and the means by which they negotiated their roles as governors became a prevailing force in their experience. The concern over the evolution of personal identity within the board and within the faith proved to be more persuasive for this group of governors than the idea of working toward a commonly defined future vision of the community.

In the arts project the primary struggle of governors was in understanding what part of the governance process each governor actually owns. The ownership question resides partially in understanding each governor's place in the social-structural fabric of the organization. The social-structural place held by a governor can enable or inhibit governance behaviors. The same

holds true for the governors of faith-based organizations. Demerath (2006) maintains: "An individual's social structural position will affect the degree to which she feels able to contribute to the community and, in turn, the degree to which she will tie together the meaning of the community with her own identity" (p. 504). If a governor was able to understand where he or she has appropriate ownership in the governance process his/her tasks may focus increasingly on outcomes instead of process; increasingly on impact in the broader community.

The commentary of the arts governors identified that process was a highly sensitive aspect to governance and was often put ahead, in terms of priority and investment of time and effort, of any outcome that a particular board might be striving for. For example, a board may opt to spend time on ensuring the inclusion of voices of multiple directors in a decision that comes at the expense of actually initiating a positive community impact. While the idea of governance of the community, by the community was important to this group, the governors did not know which community was the focus of their effort and which community they were representing. Would it be the arts and culture audience in the city as community they were working for as artists themselves? Would it be the artists themselves they were working for on behalf of the wider arts-appreciative community? Or, would it be the organization they were working for as a community of board members?

Accountability, Stewardship, and Obligation

To explore how governance volunteers could be assisted in resolving the challenges they raised in each of the research projects, we need to revisit the definition of governance. In the first research project it was suggested that governance is something carried out by community representatives who become board directors for the benefit of the community. There are some

assumptions embedded in this definition that would benefit the discussion in this paper by becoming more explicit.

The ideology represented by the understanding of governance as something of the community, by the community is important because power is rarely exercised without some ideas or beliefs that justify support. Here it is assumed that the community has placed its trust in a handful of its members who then use their powers, make decisions, and allocate resources in a way that is in the best interest of the community. It also assumes agency on the part of the governors who will act rationally in pursuing the community mission of the organization. Governors are accountable to the community (e.g. members of the organization, regulators, donors). This means that accountability of governors is a fundamental aspect of governance that resides in the power given to a board by the community. The community expects governors to display accountability for their actions because the community has placed trust in their efforts.

The second assumption embedded in of the community, by the community is that individual governors will act in accordance with stewardship behaviors. As stewards, governors are willing and able to act beyond individual self-interest for the broader interest of the community because they receive fulfillment and benefits from the relationship they have with the organization itself (Hernandez, 2007, p. 122). Within stewardship theory personal interests of individual directors are still important because they actively inform and influence the directors. The organization and the role of the director on the board actually generates a broader conception of who the board member believes he or she is as an individual and they aspire to become something greater than they already are while taking on governance work. In addition to the expectation of

accountability, we also find that governors have a responsibility to the community to help further values and principles in the community.

The third assumption contained within of the community, by the community is that the activity of governance is directed towards a preferred future state either of the organization or of the community. This future state is commonly framed by the mission or vision statement of the organization towards which the act of governance is oriented. Governors legally and ethically have a duty to ensure that the resources and efforts of the organization are working to advance the vision or mission of the organization. Governors have an obligation, meaning to bind forward, to the future welfare of the organization and the community it serves. The idea of obligation is the third point that emerges from the research.

Governance, Relationships and Identity

Relationships come in many forms and serve many purposes. Relationships serve as intangible resources that provide value for any organization and for any board of directors. If we start from the premise of accountability, that boards are responsible for creating and protecting organizational resources, we need to be able to describe what counts as a resource. The following conceptualization offers two perspectives, the first is a very common approach to defining resources and the second echoes the emphasis we wish to give to the idea in this paper: "Resourcing is the creation in practice of [assets such as] people, time, money, knowledge or skill; and qualities of relationships such as trust, authority, or complementarity such that they enable actors to enact" (Feldman, 2004, p. 296). One of the resources most accessible and available to any governor is the generation of relationships that lead to action. In addition to cultivating relationships that inspire action, we advocate that the relationships that are cultivated

by governors should also reinforce identities and values. We also extend the concept of the

resource with "anything that can serve as a source of power in social interactions" (Sewell, 1992,

p. 9). Social interactions contain within them an element of power, and that power can be

consciously used to influence action. This is important for governors to consciously consider.

The global governance model (Seel, 2007) and the three modes of governance: fiduciary,

strategic, and generative (Chait, et. al., 2005) can serve to further explain how relationship

building can become a focused priority for board members. Accountability, stewardship, and

identity describe the purposes of the relationship building aligned with each mode of governance.

Figure 1. Global Governance Model
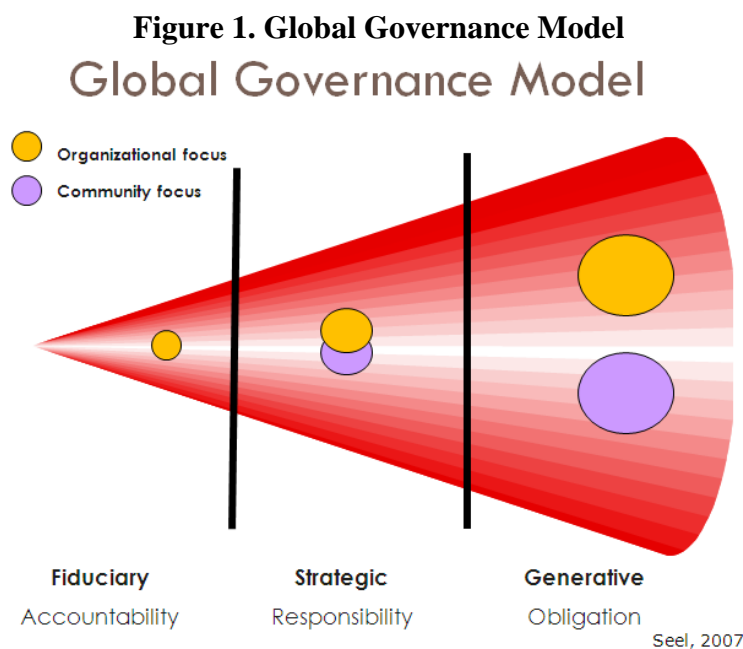
In the fiduciary mode governors are giving their attention to the oversight needs that protect the

organization. They ensure the financial health of the organization is stable. They ensure the

organization has complied with regulations and legislation that bind its activities. While doing

this the governors are actually negotiating how best to protect the organization according to the

expectations of regulators and funders. The power of the relationship resides in the hands of the

funders and regulators and the governors respond to that power. The governors are accountable. Accountability therefore requires much value clarification. The degree to which each governor feels accountable to a funder, for example, should be explored. The degree to which a board as a whole may appreciate a shift in the approach to its accountability activities should also be explored. For this to happen, thorough and candid conversations amongst board members about what matters in accountability are required. In addition, the board as a whole also needs to engage the funder, and the regulators where relevant, to understand what values lie at the heart of the accountability expectations and the degree to which those may shift over time.

In the strategic mode, governors are working to understand the environment in which their organization operates and are making deliberate decisions about what position the organization should hold in that environment. Ensuring that the board has adequate information to guide its decisions, board members need to keep relationships and dialogue amongst board members and with organizational partners strong. The relationships are not based on power necessarily, but are based on the mutual need to exchange information and understand context. This can be framed as the board members having responsibility to ensure relationships are productive for this purpose.

In the generative mode, governors are working to understand how their current actions will impact the board, organization and community in the future. They ask questions that are ambiguous and explore new ways of approaching their work. When the directors are working in this mode, they are working with a sense of obligation to the future. The power in the relationship is held by people and situations that are unknown and exist in the future which is what makes this mode of governance challenging.

Figure 2. Governance, Governor Needs, and Relationships

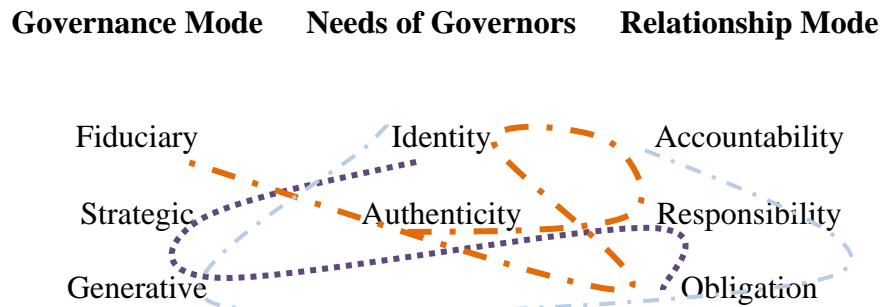**Governance Mode   Needs of Governors   Relationship Mode**

Figure 2 is an attempt to represent the observation that governors will experience a challenge

between the modes of governance and the kinds of relationships engaged in while serving on a

board. The evidence from the research conducted indicates that the governance and relationship

challenges may strain the personal needs of governors to feel satisfied in their governance

experience. While governing, governors seek to serve their identity and authenticity needs.

Identity and authenticity are two theoretical constructs emerging from the grounded theory work.

Demerath (2006) asserts that "we are most likely to work to maintain those identities to which

we are most committed" (p. 497). Further, if a particular identity helps use make sense and

order our perception of the world around us, the more we are committed to maintaining

that identity. Organizationally, identity is fueled by management philosophy and organizational

culture. In particular, congruence between values that the individual governor holds and the

values of the organization will yield "…cooperative, altruistic, and spontaneous unrewarded

citizenship behaviors" (Davis, Schoorman, & Donaldson, 1997, p. 30). While this may seem as

though it is a positive process toward stewardship-like behavior and toward building

relationships, one of the impacts of indentifying strongly with the organization and acting more

cooperatively for its sake, is that the self is incrementally substituted for. "As social identity

grows, one becomes depersonalized and group or organization standards become paramount"
(Sekerka & Bagozzi, 2007, p. 143).

Governors have identities framed around social relationships. As cited in Brewer &
Gardner (1996, p. 83), Breckler and Greenwald have identified that "individuals seek to
define themselves in terms of their immersion in relationships with others and with larger
collectives and derive much of their self-evaluation from such social identities". According to
Demerath (2006), "the quantity and quality of the relationships one has with others positively
influences the significance of whatever role, status, or identity those relationships are dependent
upon" (p. 499).

Assuming social identity has been solidified with the organization, if over time individual values
fall out of alignment with the group or organization, governors are likely to detach themselves
from identifying with the organization altogether and from seeing the importance of retaining a
protective agent role. This means we may lose agency aspects of governance and stewardship
aspects of governance at the same time. Fiduciary governance and strategic governance
activities may decrease. It may result in governors not accepting responsibility for outcomes,
especially those that the individual governor may view as being a negative outcome. This raises
questions of psychological ownership. When do directors feel as though they psychologically
own the governance process? How do they negotiate the terms of that ownership?
Psychological ownership has two particular components to it that are of interest to us (Pierce,
Kostova, & Dirks, 2001, p. 305):

- organizational identification: which has to do with what the director believes is distinctive
  and admirable about the organization and answers the question: Who am I?

- internalization: which has to do with adopting aligning the self with the values and goals of the organization and answers the question: What do I believe?

Authenticity is about the alignment of the personal and organizational worlds that compels governors to act in a particular way. In the case of faith-based organization, the spiritual world would be included in a consideration of authenticity: while serving as a governor, is one true to one's faith as well as to one's organization and to one's self, for example. Within an organization, authenticity is influenced by the alignment, or lack thereof, between management philosophy, the stewardship behaviors and power. This means that it is essential that boards of directors guide the management philosophy of the organization they represent because "the management philosophy of an organization creates a context in which the choice of agency or stewardship relationships is made" (Davis, Schoorman, & Donladson, 1997, p. 34). Organizational culture also reinforces the type of power that has the most influence on decisions inside the organization (Davis, Schoorman, & Donaldson, 1997, 31). Power may be held supreme in the form of institutional power, characterized by status, role, decision-making responsibilities, authority over resources, or in the form of personal power, that is power that comes through the process of initiating, developing and growing relationships with others.

The literature may also be indicating that ownership is greatly influenced through leadership. Individuals who are viewed as institutional or personal leaders on a board may be required to engage more actively in instilling psychological ownership amongst the rest of the board members. This is achieved by creating coherence between governance structure, policies, and procedures which enable directors to influence internal process and understand more thoroughly the impact of decisions made at the board level (Hernandez, 2008, p. 124). It also requires that

board work is designed and initiated in ways that are intrinsically motivating for board members (Hernandez, 2008, p. 124). This should be done in a way that also takes into account the natural reaction that individuals have to taking risk. Leaders must be willing to embed courage in the boardroom. Hernandez also refers to Walton's (1986) work: "This organizational conceptualization of courage places an emphasis on undertaking potentially risky action within the context of everyday work activities in which people are engaged" (2008, p. 125).

Summary

Over the last three years of governance research we have found that leadership, taking risk, taking stock of values, and making clear choices for action related to personal identity and authenticity all serve to enrich the capacities of governance volunteers. The authors of this paper suggest that an evolution of governance may be possible through a closer examination of relationships cultivated by board members. In particular there are three levels of relationships: between board members and the stakeholders to whom they are accountable, amongst board members as a group and with organizational members, and between the board members of today and the board members and community of the future. These are not new ideas in the realm of governance, but a reframing of them. Central to the portfolio of relationship building activities required by governors are the notions of accountability, responsibility, and obligation. It may be that boards would benefit from more attention spent on understanding the needs of their individual governors while discussing and acting on matters of accountability, responsibility, and obligation.

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