

**20** GOVERN FOR IMPACT  
**21** CONFERENCE  
 VALUES TO IMPACT THROUGH TRANSFORMATIONAL GOVERNANCE

**BOARD JOB #1:  
 IDENTIFYING THE OWNERS,  
 CONNECTING & ENGAGING,  
 LEARNING WHAT OWNERS VALUE**

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**Today**

- Why is Connecting with Owners Job#1?
- 10 step cycle for engaging and learning from owners
- Translating owners' values into impactful policies

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**Let's Start Here**

Why is Ownership Linkage Job #1?

- A board derives its moral legitimacy from owners
- A board holds the organization in trust on behalf of owners
- A board serves the owners by defining beneficiaries, benefits, and the worth of producing the benefits, on their behalf
- How can a board make decisions the owners would have made if it is not aware of their values and perspectives?

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## STEP 1: Identify the Owners

- The people on whose behalf the board determines what benefits the organization should produce, who those benefits are for, and how much they are worth.
- Equivalent of 'shareholders' in for-profit organization
- NOT the same as stakeholders


Even with this conceptual framework, it can be challenging work for a board

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## Thinking about Owners


LEGAL OWNERS	MORAL OWNERS
<ul style="list-style-type: none"> <li>• Who gives the board the legal authority to govern the organization?                             <ul style="list-style-type: none"> <li>• Review the bylaws, articles of incorporation</li> </ul> </li> <li>• If the organization ceased to exist, who would have the legal authority to reconstitute the organization?</li> <li>• Who hires &amp; fires the board?</li> </ul>	<ul style="list-style-type: none"> <li>• People who given the opportunity would normally:                             <ul style="list-style-type: none"> <li>• Recognize and believe that an important need or purpose is/can/should be served by the organization, <u>and</u></li> <li>• Have a legitimate interest in, and care about, the organization's purpose and long-term capacity (or for as long as is relevant) to achieve its Ends in an ethical and prudent manner.</li> </ul> </li> <li>• Acquire or have the moral right and obligation to give input regarding organizational purpose, values, and risk tolerance and to hold the Board accountable for Ends achievement within boundaries of ethics and prudence.</li> </ul>




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## Some More Thinking about Owners

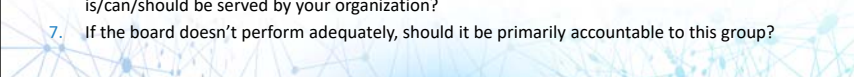
LEGAL OWNERS	MORAL OWNERS
<ul style="list-style-type: none"> <li>• Investors</li> <li>• Membership organizations</li> <li>• Municipal agencies</li> <li>• Federations</li> <li>• Professional or trade organizations</li> <li>• Sponsoring bodies</li> </ul>	

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## Questions that help in identifying moral owners

1. If you were handing out shares in the organization, who would you give them to?
2. When the board is making decisions as to what the organization is for – upon whose values about what is important should the decisions be based?
3. Whose values should be incorporated into decisions regarding what would be unacceptable (unethical, imprudent) in pursuit of the Ends?
4. Other than the beneficiaries and deliverers of Ends, who is concerned for the long term ability of the organization to achieve its Ends?
5. If the board were to significantly change the focus of the organization or switch its "core business", aside from any required legal approval, whose *moral* authority would be needed to do so?
6. Who, if given the opportunity would recognize and believe that an important need or purpose is/can/should be served by your organization?
7. If the board doesn't perform adequately, should it be primarily accountable to this group?



**BREAKOUT ROOMS**


- Each group which will be assigned a different type of organization
- Use the questions to think through who the moral ownership might be.
- In plenary, one person to present your group's thoughts



**Who might the moral owners be?**

Women's shelter	Community health centre
Symphony Orchestra	National charity
School board	Local arts festival


**STEP 2: Understand the Purpose of Ownership Linkage**



- Not "Public Relations" or advocacy
- Not conversations that happen by chance
- Intentional and constructive dialogue and deliberation between owners and board members primarily around the organization's Ends
- Ownership linkage data is critical part of the information used to make Ends decisions



**STEP 3: Select Representative Samples of Owners**

- "Segment" owners in smaller groupings that will help you identify the diversity of opinion among owners
- E.g., geography, age, education, socio-economic status



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## STEP 4: Ask the right questions


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## Setting the stage for seeking input

- Is it necessary to provide some basic education before asking for input?
- Do owners understand the language of Policy Governance? [Usually not!].




- Is it necessary to teach them that language?
- They need to understand why you are asking the questions



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## Key Ideas to Translate





- Basic idea of Policy Governance – the board acts on behalf of owners, sets direction, holds management accountable, but doesn't handle day to day operations.
- Provide information about current Ends policies and extent to which they've been achieved.
- Board wants input to help create future direction.
- Board is not asking about programs or services.



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## Ask Questions That Generate Owner Responses

- Get them into "owner" mindset
  - "as a member of the profession. . ."
  - "in our industry . . ."
  - "thinking about other people your age"
  - Not, "what do YOU think/want"
- "Individual" mindset will likely yield "customer" information instead of "owner" information

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## Ask Questions About the Right Things

- Input primarily about Ends issues
- Main purpose is not input about how the CEO is doing with delegated operational issues (occasionally, board may wish to check owners' perceptions re: adequacy of a limitation)


**ACTIVITIES** **PROGRAMS** **MEMBERS** **SERVICES**

- Ask “what” and “why” questions, rather than “how” questions

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## Examples of “What” Questions


- What are the priority needs in our profession/ community/ industry that are not being met?
- What types of benefits should our organization produce?
  - (Offer examples: health, security, wealth, competency, self-actualization, love, independence, fitness, etc.)
- If there were only one need, that if met, could immediately assist our profession or community, what would that be?
- What difference should our organization make within our community/profession/health sector?



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## Examples of “Why” Questions

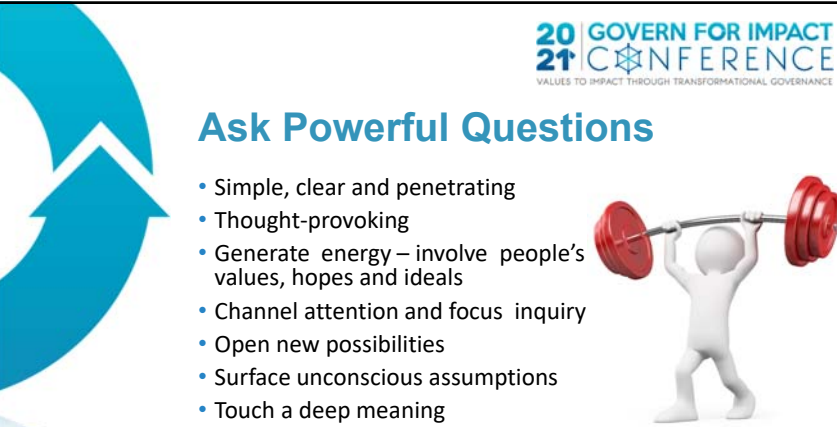
- Do you and others [your age/in your community] think the role of the association should change? Why or why not?
- Look at the following list of outcomes that the organization might offer: [list high level Ends]
  - Which one seems most important? Why?
  - Which one seems least important? Why?
  - What is missing? Why?



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## Ask Powerful Questions

- Simple, clear and penetrating
- Thought-provoking
- Generate energy – involve people’s values, hopes and ideals
- Channel attention and focus inquiry
- Open new possibilities
- Surface unconscious assumptions
- Touch a deep meaning
- Evoke more questions



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## Help Owners Think “Future”



Looking ahead 5 years from now, what results would have happened for the people we serve for you to say:

- “I’m really happy with the progress that the organization has made?”
- “I’m satisfied or proud of the contributions that the organization has made?”

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## STEP 5: Choose the most appropriate methods



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## STEP 6: Implement the Plan


- Identify when linkage information will be needed for Board’s Ends work & work backwards to schedule linkage activities
- Schedule debriefing time at board meeting immediately following each linkage activity
- Decide who will be accountable to make the plan a reality
- If using a committee to support this work, make sure the board still “owns” the plan and as much as possible involve all board members



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## STEP 7: Keep Track of Information

- Debrief after each linkage activity
- Keep data with implications for Ends in one place
- Note data with implications for EIs
- Pass on means related data to CEO
- Match info to existing Ends or note possible need for new End
- Identify need for further education or research as result of learning



## STEP 8: Apply Owner Input to Ends

- Collect input over annual cycle
- Schedule longer meeting or retreat
- Look at the big picture of the information that has been collected
- Add information to enhance board understanding




**STEP 9: Communicate Back to Owners**

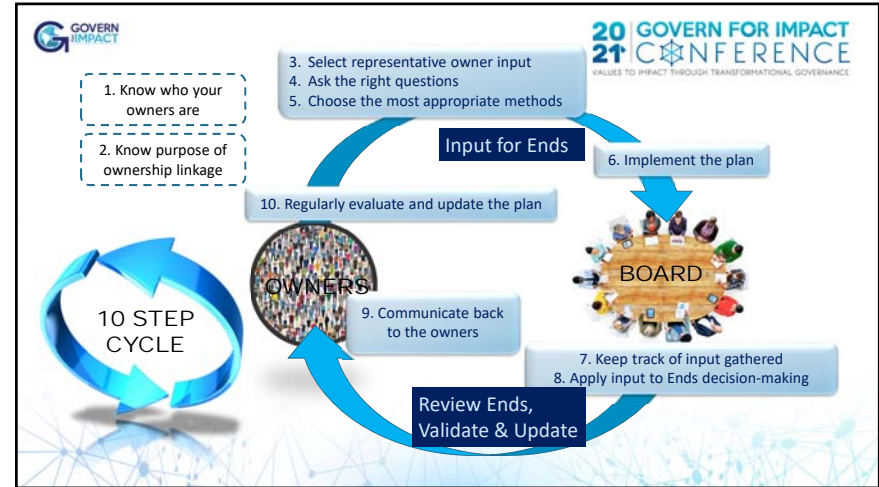
- Let the owners know what happened to their ideas
- Do you use them?
- If not, why not?



**STEP 10: Regularly Evaluate and Update the Plan**

- Learn from your experiences
- After each linkage activity, debrief and refine the process as needed
- Annually, re-evaluate upcoming year of the plan & add detail, then add a new year to the end of the plan, to maintain a rolling X-year plan



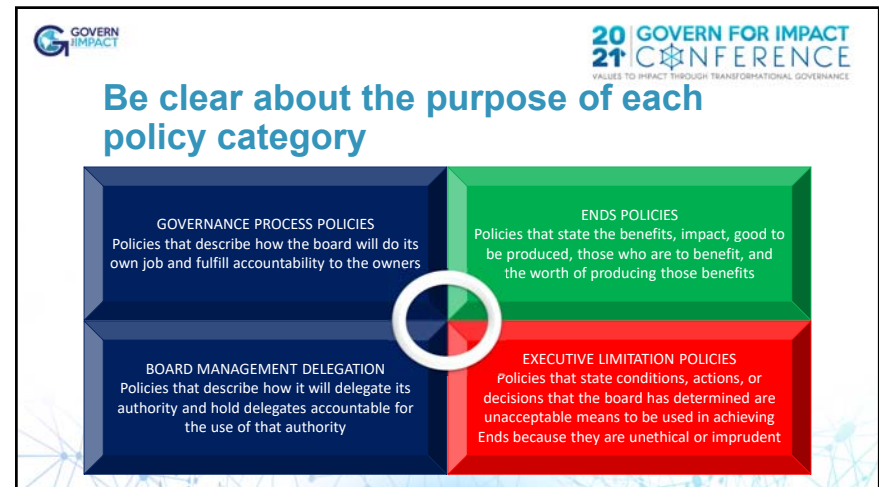





**Translating Owner Values into Policy Impact**



Over the past year your board has learned that owners highly value diversity, equity and inclusion, how do you integrate this value into your policies?







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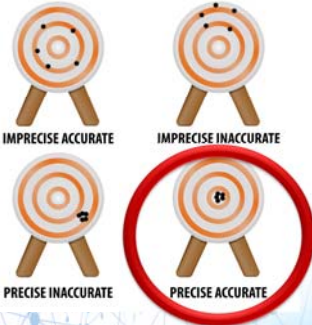
### Start by deciding how the value might impact each category of policy?

- What conditions or decisions would we consider unethical because they were inconsistent with our values about diversity, inclusion and equity?
- Where and how should our governance processes reflect our values about diversity, inclusion and equity?
- Could these values be reflected our current Ends?
- Do these values suggest the need for a new End?
- Do these values impact the way in which we delegate authority





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### Practice “policy precision” when changing



- Fit with purpose of policy category
- Placement in appropriate policy
- Consistency with the principle of policy sizes
- Avoiding common policy pitfalls



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### Questions?




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