

Community Capacity Building

Board Orientation

Participant's Guide

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NOTES

Purpose of Toolkit

To provide participants with information and resources that will support their learning and development in the areas of community development, community capacity building and organizational governance.

Contents of this Toolkit

This toolkit has been prepared to provide information, tips and resources about the fundamentals of good governance and the basics of community development and capacity building. The content of this toolkit is as follows:

- Section I: Focuses on Community Development and Capacity Building
- Section II: Focuses on Orientation to Organizational Governance
- Section III: Recommended Resources

The contents of this workshop have been prescribed by the Community Capacity Building - Curriculum Review Focus Group (September 2006).

NOTES

Section I: Overview of Community Development and Capacity Building

Glossary of Terms: Community Development

Assets The "hard" or physical components of a business, such as equipment, property and cash on hand. (Source: Building Dreams with Teams)

Advertising The concerned effort to get your product or service more widely known. This often involves the purchase of space in publications or air time on broadcast media. (Source: Building Dreams with Teams)

Agent The active unit, the key actor (person or group) or body (institution) in a given situation.

Board

Member A person who is a member of a governing board of an organization. As a rule, they are elected or appointed to be a member under a section of a specific piece of legislation in the province of Newfoundland and Labrador. They may also be officers, where an officer fulfills certain corporate roles and functions (such as those duties of a "Chairperson", "Vice-Chairperson", "Treasurer", or "Secretary" of the organization). (Source: Volunteer Canada 2002)

Board Members

Role Regardless of the name, size or type of organization, the role of the director remains fairly constant. Directors and officers of non-profit organizations are responsible for governing the affairs of the organization on behalf of its members. Directors and officers have a relationship of 'trust' with the members of the organization, and it is from this trust relationship that certain important legal duties arise. (Source: Volunteer Canada 2002)

Centre

A part of the split that occurs between regions in terms of development. The centre draws resources from the hinterland, produces products from those resources and sells them back to the hinterland. The more profitable activities take place in the centre and the less profitable are left to the hinterland, reinforcing inequalities. The split happens globally, between "First World" and "Third World" nations; nationally, between have and have not regions; and within communities between different parts of a region. The centre is often referred to as the heartland. (Source: Building Dreams with Teams)

Community According to Webster's New Collegiate Dictionary, this is a "group with a common characteristic or interest living together within a larger society" or a "body of persons or nations having a common history or common social, economic and political interests" (226). A community may be one town, several towns sharing a specific common interest, or a segment of society.

Community Capacity "The ability of a person or group to accomplish and sustain a given goal or activity. It can include physical, human, financial or organizational resources". (Source: Building Dreams with Teams). "Capacity building is about building a community's assets - people and resources - to contribute to community development". (Source: Frank and Smith 1999)

Community Consultation The organized process of addressing a broad spectrum of a community regarding a specific topic in order to get direction and input on that topic. (Source: Building Dreams with Teams)

Community Development Frank and Smith (1999), "it is a planned evolution of all aspects of community well-being (economic, social, environmental and cultural). It is a process whereby community members come together to take collective action and generate solutions to common problems". (p. 6).

Community Economic Development A philosophy as well as a strategy concerning the preservation and improvement of quality of life within a community, through economic planning and broad-based participation. It "involves local, geographically defined communities taking control of their own development". (Quarter, p.98). "Combining social and intervention for addressing poverty and powerlessness in communities that is socially and economically underdeveloped" (Nutter and McKnight 92).

Community Enterprise An enterprise that is established primarily for a community's benefit. Revenue or profit is a secondary goal. (Source: Building Dreams with Teams)

Consensus Is the voluntary giving of consent. It is a win/win situation usually involving an investment of time to assure each member point of view is heard in a quality manner. It involves collaboration in which a position is reviewed in light of others'

Constituent A member of a group who is represented by some official or service provider. Ideally, the representative is selected by members of the group. (Source: Building Dreams with Teams)

Downsizing/Rightsizing The act of reducing the cost of operating an organization by reducing (laying off) a number of people employed by it.

Goal	A goal is a general statement of the desired results to be achieved over a specified period of time.
Governance	The United Nations defines governance as "the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say. It is about power, relationships and accountability: who has influence, who decides, and how decision-makers are held accountable." "Governance is shaped by the purpose for which an organization was created and is concerned with activities of the highest level including planning, goal setting, policy development and monitoring progress towards strategic objectives "(Achieving Excellence 2000: A Handbook for Improved Governance of Public Bodies, p.2).
Grassroots	Activities or movements that often come from a local non-institutional gathering or people. These contrast with formal levels of organization, like government or big business (Source: Building Dreams with Teams).
Hinterland	The less developed region in a centre-hinterland split. (Source: Building Dreams with Teams)
Indicators	A system or scale by which to measure success, failure, progress or stagnation. Used to judge the whole. Economic indicators can be volume of trade, average income, Gross National Product etc. CED indicators include quality of life, sustain-ability, environmental health, etc. (Source: Building Dreams with Teams)
Infrastructure	Structures that are in place to support communities and economic activities within the communities, such as airports, roads, wharfs, public utilities, schools, social services, etc.
Mission	A mission statement systematically diagrams the vision by answering the questions who, what and why.
Ownership	Identifies the group (members or Directors) who carry the public trust vested in a non-profit organization.
Participation	In a CED context, participation refers to a broad range of people who take part in planning and decision-making for the social and economic improvements of their community (Source: Building Dreams with Teams)."To be active or have a share in some activity, enterprise, etc."(Webster's).
Partnership	A collaborative venture between two or more organizations that pool resources in pursuit of common objectives.

- Policies** Statements that guide and constrain decision making by both the governing body and the staff. Policies agree with the enabling legislation, other governing legislation, the constitution and bylaws. Policies direct the delegation of authority and tasks.
- Pro-active** Identification of an opportunity and acting upon it rather than simply responding to external events. (Source: Building Dreams with Teams)
- Rural Development** Community Development in parts of the province outside of more densely populated urban areas.
- Regional Development** Community development in geographical areas having boundaries consistent with those confirmed in 1995 subsequent to the release of the report Community Matters: The New Regional Economic Development (Task Force on Community Economic Development in Newfoundland and Labrador).
- Self Interest** A way an individual acts and thinks that focuses directly on benefitting only that individual. In the context of developing effective organizations and teams, this behavior is seen as highly destructive.
- Values** Values are the fundamental principles that guide behavior and decision making.
- Vision** A vision is a short statement describing the ideal state an organization is striving to achieve in the long term for its clients.

Community Development Toolkit

While the following toolkit was prepared to support community development around mining and mineral processing operations, the tools are extremely generic and can be used as tools to support community development efforts. The toolkit is 165 pages and is available on the website for the International Council on Mining and Metal (<http://www/icmm.com>) under the publications □ reports links. This is a highly recommended resource tool; it is easy to read and to navigate.

The Community Development Toolkit was published in 2005, by ICMM, the World Bank and ESMAP* to support government, industry, and community efforts to realize more sustainable community development around mining and mineral processing operations. The English version of the Toolkit is divided into sections which can be downloaded. Alternatively, hard copies of the Toolkit can be ordered from info@icmm.com.

Introduction to the Toolkit

Assessment: Guidance for using Assessment Tools

Tool 1: Stakeholder Identification

Tool 2: Social Baseline Study

Tool 3: Social Impact and Opportunities Assessment

Tool 4: Competencies Assessment

Planning: Guidance for using Planning Tools & Explanation of Participatory Planning Methods

Tool 5: Strategic Planning Framework

Tool 6: Community Mapping

Tool 7: Institutional Analysis

Tool 8: Problem Census

Tool 9: Opportunity Ranking

Relationships: Guidance for using Relationships Tools

Tool 10: Stakeholder Analysis

Tool 11: Consultation Matrix

Tool 12: Partnership Assessment

Program Management: Guidance for using Program Management Tools

Tool 13: Conflict Management

Tool 14: Community Action Plans

Monitoring and Evaluation: Guidance for using Monitoring and Evaluation Tools & Overview of Monitoring and Evaluation Tools

Tool 15: Logical Framework

Tool 16: Indicator Development

Tool 17: Goal Attainment Scaling

You will notice that the Tools have been divided into 5 categories:

Assessment: For assessing the environment; that is, who the people are who live there, how they live, whether there are any existing conflicts, and what resources will be need to build and support a community development program in this setting.

Planning: To design development programs desired by all and therefore with an opportunity to become sustainable. Some plans may be internal to specific organizations, such as a company or NGO. Other plans may be developed by coordinated efforts by many groups.

Relationships: For building and maintaining good relationships between all stakeholders, such as government, community members, company representatives, and local organizations. Relationships are the foundation of all cooperative activities and therefore essential for sound community development programs.

Program Management: For supporting and implementing the plans developed with the planning tools. These management tools include means for ensuring that plans are realistically resourced and scheduled and that there are people taking responsibility for implementing them. Plans are just pieces of paper until they are put into motion.

Monitoring & Evaluation: For measuring progress toward program goals. Some evaluations may be internal to individual organizations, but ideally all participants will work together on some evaluation tools so that any modifications required to plans will be developed in a coordinated and cooperative manner.

The CD Toolkit contains seventeen (17) Tools intended for use throughout the project cycle and which cover the assessment, planning, management, and evaluation phases of community development as well as stakeholder relationships. An introduction, glossary and discussion of mining and community development accompany the tools.

Community development is the process of increasing the strength and effectiveness of communities, improving peoples' quality of life, and enabling people to participate in decision making to achieve greater long-term control over their lives. Sustainable community development programs are those that contribute to the long-term strengthening of community viability. Mining and mineral processing activities can play a central role in sustainable community development by acting as a catalyst for positive economic and social change in areas that may otherwise have limited opportunities for economic and social development. The Pioneering New Approaches in Support of Sustainable Development in the Extractive Sector project was jointly coordinated and managed by the World Bank Group's Oil, Gas, and Mining Policy Division and the International Council on

Mining and Metals, and was supported financially by the Energy Sector Management Assistance Program, ICMM, and the World Bank. The aim was to develop new approaches and tools to support government, industry, and community efforts to realize more sustainable community development around mining and mineral processing operations.

Developing a Community Development Process (A Checklist)

- G Become familiar with the terms
- G Develop an understanding of the history
- G Honor the principles and values
- G Respond to the challenge and opportunities
- G Create/grow awareness + motivate people = power to act for positive change
- G Build on diversity and find common ground = developing an inclusive process
- G Understand change
- G Check the readiness of your community
- G Identify the likely catalyst/agent/spark in your community (Is it you?)

Develop the Process

1. Build Support

- G Who should be involved?
- G Create a valued **local** process
- G Develop buy-in

2. Make a Plan

- G Identify the benefits of a Community Plan
 - G Complete the following steps:
 1. Create the vision
 2. Assess the Current Situation
 3. Set Goals
 4. Establish Objectives
 5. Develop Action Plans
 6. Implement the Plan
 7. Evaluate Progress and Results
 - G Become acquainted with the factors that contribute to successful planning
- #### 3. Implementing and Adjusting the Plan
- G Identify the roles (e.g. prime implementers; facilitator/coordinator; partner/mentor; promoter; funding agencies)
 - G Identify the skills (i.e. strong leadership, planning and management abilities, etc.)
 - G Sharing the load (i.e. create a structure or organization that will manage implementation)
 - G Keep your eye on the ball. Use the plan to ground activities and encourage participation.

4. Maintaining Momentum

G Leadership

G Partnerships

G Building community capacity

G Funding community development

G Monitor, review and adapt the community development plan

G Motivation and commitment (involve them; acknowledge contributions; celebrate success; encourage others to become involved; share the load; create opportunities for others to recommit, take on new roles or to take a break)

Community Development Principles & Practices

(Sources: Dept. of Industry Trade and Rural Development, Orientation for New Directors, Community Development: Principles and Practices and F. Frank & A. Smith, The Community Development Handbook)

Principles of Community Development

§ Community development is a holistic approach to addressing the community's needs. It encompasses the social, cultural, economic and environmental aspects of society.

§ Community development is an inclusive, grassroots process by which communities:

- become more responsible
- organize and plan together
- develop healthy options
- empower themselves
- reduce ignorance, poverty and suffering
- create employment and economic opportunities
- achieve social, economic, cultural and environments goals

§ Development plans must ensure environmental stewardship

§ Empowerment comes from widespread community influence, participation and community education

§ Development results must lead to sustainability

§ Partnerships provide access to the necessary resources.

Values

§ Participatory

§ Inclusive

§ Cooperative action

Models of Practice:

Models of Community Practice:

(Jack Rothman, cited by Shragge 2)

Model	Description	Examples
Social Action	Disadvantaged segments of society organize to take action, making demands on the larger community or governments for better treatment, improved services, or basic changes in major institutions.	Civil Rights Movement Labour Movement Women's Liberation Movement Student Movements Resettlement Fishing rights Seal Hunt Cod Moratorium
Social Planning	Favours a technical approach to solving problems. Presumes social scientists are best qualified to identify problems and that only planners and technicians can find solutions in a complex industrial and social environment. Tendency to believe the community has limited skills and capacity to undertake sophisticated decision-making related to important issues.	Examples of this practice are found in government departments and agencies, in social and urban planning authorities, and in community health and welfare planning organizations.
Community Development	Presumes change can be pursued through a model of public participation. Mobilizes people to plan, make decisions, and sit in partnership with governments and other partners to find solutions to social, cultural and economic issues. Assumes people know what is good for them and their participation and information is viewed as being useful to the process. The principles of demo	Citizens organized Rural Development Associations (1960's) Communities establishing Co-operatives (i.e. Fogo Island Co-op)

Section II: Orientation To Good Governance

Glossary of Terms: Governance

Accountability

A relationship based on the obligation to demonstrate and take responsibility for performance in light of agreed expectations.

Accountability Framework - The accountability framework defines the nature and scope of responsibilities, identification of key results, performance expectations and the monitoring, evaluation and reporting strategies.

Board Member/Director - An individual who is a member of a governing board or an organization. As a rule, they are elected or appointed to be a member of a governing body under a section of a specific piece of legislation in the province of Newfoundland and Labrador. They may also be officers, where an officer fulfills certain corporate roles and functions (such as those duties of a “Chairperson”, “Vice-Chairperson”, “Treasurer”, or “Secretary” of the organization). **(Source: Volunteer Canada 2002)**

Board Members’/Directors’ Role - Regardless of the name, size or type of organization, the role of the director remains fairly constant. Directors and officers of non-profit organizations are responsible for governing the affairs of the organization on behalf of its members. Directors and officers have a relationship of ‘trust’ with the members of the organization, and it is from this trust relationship that certain important legal duties arise. **(Source: Volunteer Canada 2002)**

Goal - A goal is a general statement of the desired results to be achieved over a specified period of time.

Governance - The *United Nations* defines governance as the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say **(Institute on Board Governance – Learning Tools <http://www.iog.ca/boardgovernance/index.html>)**. It is about power, relationships and accountability: who has influence, who decides, and how decision-makers are held accountable. Governance is framed by the purpose for which an organization was created and is concerned with activities of the highest level including planning, goal setting, policy development and monitoring progress towards strategic objectives **(Achieving Excellence 2000: A Handbook for Improved Governance of Public Bodies, p.2)**.

Leadership - To guide, influence or persuade people **(Jim Clemmer)**. We lead people.

Management - The act, art or manner of controlling or conducting affairs (CCAF, 1996). We manage things.

Mission - A mission statement systematically diagrams the vision by answering the questions who, what and why.

Ownership - Identifies the group (members or Directors) who carry the public trust vested in a non-profit organization.

Partnership - A collaborative venture between two or more organizations that pool resources in pursuit of common objectives.

Policies - Statements that guide and constrain decision making by both the governing body and the staff. Policies agree with the enabling legislation, other governing legislation, the constitution and bylaws. Policies direct the delegation of authority and tasks.

Values - Values are the fundamental principles that guide behavior and decision making.

Vision - A vision is a short statement describing the ideal state an organization is striving to achieve in the long term for its clients.

Functions of Board

Key points to consider:

- < effective boards practice good governance through the use of governance tools
- < developing and implementing policies, plans and processes take time. Remember Rome wasn't built in a day.
- < policy is the major tool for building and maintaining the framework. The continuity of the organization depends on it.
- < strategic plans need to be credible and need to be actioned.
- < learn what the budget process is and ensure it is an expression of the Strategic Plan
- < effective meetings address the board's strategic agenda

The functions of a board are to:

Build/Maintain Framework

(Policy, legal obligation, final authority)

Define Direction

(Sound continuance; Succession CEO & board & periodic review of programs and services)

Evaluated Results

(Reviews performance of the Board, members, CEO and the Organization)

Fiduciary Responsibility

(Manage resources effectively and efficiently)

Demonstrate Accountability

(Ultimately accountable for the actions of their organization)

Leadership

(Model established values and ethical behavior; build strong relationships)

Types of Governance Models

(Source: Institute on Governance)

A governance model is defined as a distinctive set or cluster of governance structures, responsibilities (functions) and processes (practices) that are logically consistent with one another. The structure refers to the selection and operation of the board established by legislation, regulations, bylaws and policies. Responsibilities (specific tasks or functions) refers to the what of governance. Processes (practices) refers to how governance functions are exercised. Governance models vary according to how a board is structured, how responsibilities are distributed between board, management and staff, and in the processes used for board development, management and decision-making.

1. **Operational Governance** - The Board does the work of the organization as well as governs it. This is typical of a board in the “founding” stage and organizations, such as service clubs, that have no staff and must rely largely on board members and other volunteers to achieve their aims.
2. **Collective Governance** - The Board and staff are involved in single team decision making about governance and the work of the organization, board members may be involved in some of the work either in services or management functions.
3. **Management Governance** - The Board manages operations and may have a staff coordinator. Members may be involved in some of the work, either in services or management functions.
4. **Traditional Governance** - The Board governs and oversees operations through committees but delegates the management functions to the CEO. Committees are used to process information for the board and sometimes do the work of the board. The CEO may have a primary reporting relationship to the Board through the Chair.
5. **Policy Governance**(Carver) – The Board governs through policies that establish organizational aims (ends), governance approach, management limitations and define the Board/CEO relationship. It does not use committees. The CEO reports to the full board.

6. **Corporate Governance** - The CEO is a non-voting member of the Board, carries substantial influence over policy-making, is viewed as a full partner with the board and has relative freedom at managing to achieve established objectives. Committees are used for monitoring /auditing performance of the board, CEO etc. Board members are selected for community profile, capacity to open doors and for their areas of expertise.
7. **Constituent Representational Governance** - Used by publicly elected officials, federations or other constituency elected boards whose primary responsibility is to balance the interests of their constituents against the best interests of the overall organization. They may, and in the case of publicly elected officials do, carry grievance resolution/ ombudsman functions.

Governance Tools and Tips

(Source: Institute on Governance)

1. One Size Does Not Fit All

There is no one-size-fits-all governance model or framework that can be imported from elsewhere and applied successfully to your organization. A more useful approach is to build your governance framework around your mission, and to make sure it is well-suited to your organization's size, culture, people, traditions and history.

2. Have a Clear, Up-to-date Mission Statement

Our approach at the Institute is to help organizations build a governance framework that is driven by their mission. That means that our first job is often to help organizations put together a brief, inspiring, distinctive statement that is neither too broad nor too specific, one that explains why the organization exists. It can be tricky for board members to agree on a clear statement, but this is vital in putting together a strong governance framework. If you already have a mission statement, make sure that it is up-to-date. Some organizations we have worked with, for example, have taken on significant new responsibilities or functions without renewing their mission statements.

3. Can you answer “where do you want your organization to be in 5 years”?

While a mission statement explains why the organization exists, a vision statement outlines where the organization wants to be. This can help guide the board as it selects new members and considers budgetary implications, for example.

4. Get the Right People Around the Board Table

Boards are only as good as the people who sit on them. Identifying and attracting members interested in serving as potential Directors of the board is an ongoing process, one that will certainly involve much of the Chair's time, and the interest and support of other board members as well,

including a Nominations Committee (if your organization has one). Incumbent board members should be actively involved in selecting new board members – this not only creates an incentive for sitting board members to integrate new members into the group but also avoids exclusionary feelings that can create tension. It is important to look for new directors with strategically relevant experience. A good place to start is by tying the priorities in your strategic plan to the discussion of what traits and skills you will need on your board. Also, new board members' knowledge and skills should complement those of the CEO and top management, as well as those of existing board members, to provide a richer consideration and resolution of strategic issues. Other things to look for in new directors include their communications style, their personality and whether they actually have time to serve.

5. Have a Fair, Transparent and Appropriate Nominations Process

Is your nominations process fair, transparent and appropriate to your organization? Using a calendar that lists key dates and responsibilities can help you keep on track with your nominations process. For example, if your Annual General Meeting (AGM) where board members are elected is held every summer, your Nominations Committee or a task force of the board may want to begin putting together a slate of nominees in the late fall so that the board can review the list in the winter. This leaves the Nominations Committee time to follow up with potential candidates to secure their interest and availability, and also allows sufficient time for voting members to receive the information prior to the AGM. Another helpful tip for recruiting board or committee members is to create a form on your website asking members for feedback if they are interested in serving on the board or on committees.

6. Don't Leave New Board Members Out in the Cold!

An important task for any organization is to educate new members and equip them to become productive, knowledgeable contributors within a short time of joining the organization. In our experience, when asked, many directors say that when they were starting out on their boards, they could have benefitted from more help from standing directors.

A thoughtful, deliberate orientation process creates a good impression, and signals the professionalism and seriousness with which the organization approaches its work. The creation of such a process ultimately saves time and avoids frustration for all concerned. Responsibility for the details and strategy of recruitment and orientation will normally reside with those board members charged with nomination responsibilities (or a Nominations Committee, if one exists). It is important that whoever handles these tasks assumes responsibility for ensuring that any printed materials used in the process are regularly updated. There are a variety of ways to undertake orientation and training including, but not limited to, printed documents.

7. Build Teamwork

One of the keys to making boards work better rests in board process and the nature of the interactions among board members. The ability of a board of directors to do all the things they need

to do depends largely on the quality of the individuals who become directors and their ability to work together as a group. Group processes related to conflict and teamwork is critical determinants of board effectiveness. It is important, for example, for boards to make the most of the time they have together in order to develop team norms and to avoid having a small number of dominant directors take over deliberations.

Constructive conflict tends to improve decision-making in a board, because such exchanges can help the board to understand related issues, and to synthesize multiple points of view into a decision that goes beyond the individual perspective. Constructive conflict on boards can be fostered by preparing board members for meetings and scheduling meetings to provide an opportunity for debate. It is important for board members to be as inquiring as they feel is necessary on key issues, but there is a balance to be struck between not ever challenging management and micro-managing every decision the CEO makes. Finally, building good board process also means avoiding destructive conflict – personal friction and tension – which can degrade group decision-making and interfere with the board’s ability to perform its key roles.

8. A Good Chair is Important to Have

The Chair of the board occupies a pivotal role and it is important that this role be performed effectively. The Chair plays a key role in: setting the tone and direction for the board; the nominations process; the setting of the board agenda; and many other responsibilities. A Chair should be a good leader who understands the issues, helps the board use its strengths to the fullest, and assists others in leadership roles. The Chair also needs to work closely with the CEO or Executive Director and others in the organization. Often, a Chair plays a representative role in the community and can serve as a spokesperson for the organization. It is important for the Chair to have good judgement, particularly when it comes to conflict of interest and ethical issues, and to know how to run a meeting well, in terms of making room for all to be heard, fostering constructive conflict, avoiding destructive conflict, and building teamwork.

9. Have Clearly Defined Roles and Responsibilities...

It’s important to have clarity around what everyone’s job is and what expectations are. Clear position descriptions for your CEO or Executive Director, Chair, Vice Chair and board members can help. Make sure to include information about term, selection and key responsibilities.

10....Particularly with the Board and CEO

A potential thorny issue is where the board’s work stops and that of the CEO or Executive Director begins. This is why it is important to clearly define the roles of the board, the CEO or Executive Director.

11. Know Your Duties... And Your Liabilities as Board Members

Board members of non-profit corporations have a variety of duties and liabilities and it is important

for directors to understand them. Directors are required to exercise their power with competence and diligence in the best interests of the organization. They owe what is called a “fiduciary duty” to the organization. It is “fiduciary” because the obligation to act in the best interests of the non-profit, at its core, is an obligation of loyalty, honesty and good faith. Modern corporations statutes governing business corporations have a precise formulation of this fiduciary obligation, but non-profits do not: it is largely set out in case law.

As a general rule, directors are not personally liable for the contracts of, or the action or omissions of the non-profit corporation they serve because a corporation is considered to be a separate legal person at law. But there are exceptions and many instances of directors’ liability, and these are slightly different in each province. Legal advice is available free, or at minimal charge, through various avenues. Look for volunteer lawyer services in your area.

12. What About Board-Staff Relations?

The roles of the Executive Director or CEO and his/her staff and board members are interdependent. Each party has something the other needs, and boards have both a legal and moral responsibility for their organization's well being. A board has the authority to select the Chief Executive and monitor management. The CEO is dependent on the board for authority to function and manage the organization, and should view the board as more than a legal requirement. He or she also needs the collective wisdom that board members can bring to decisions about institutional mission, direction and values. Boards depend on their CEOs to exercise leadership by building a successful team of staff and volunteers, and by helping board members use their precious time most efficiently. Boards depend on CEOs for information and reports, as well as for valuable input in decisions and, often, for day-to-day management of the organization.

The way board members and chief executives treat each other's respective powers does more to affect the quality of leadership and governance than any agreement on proper boundaries. A good starting point for strong board-staff relations is to have clear boundaries between the role of the Chief Executive or Executive Director and the role of board members, particularly that of the Chair. Clear communication is also important, and this includes making the time to meet and discuss issues of importance. It is important to remember that board-staff relations are not static and there is no “one right way”. They can change at various points in an organization’s life span and depend on a variety of factors, such as how much of the operational work resides with the board versus the staff.

13. Make Sure the Board Is Getting the Right Information in the Right Format

When board members are well prepared for board meetings, this sets the stage for stronger interactions and, often, better decisions. Directors’ busy schedules can get in the way of finding the time to prepare, but it is particularly frustrating for them to receive discussion materials just prior to a meeting. This is why it is important to give board members enough time to prepare for meetings. Time is one thing, but quality of materials is another. The information and reports directors receive should include enough detail to make them useful and board members should speak up to ensure that the materials are meaningful and complete. Having a one-page summary sheet for major (and

often, lengthy) reports can help board members grasp the key issues quickly. Directors can then search out details in the longer report to supplement their knowledge.

14. Have a Code of Ethics or, at least a Policy on Conflict of Interest

It can be helpful to have a written document to help govern the conduct of members of the Board to ensure that business is conducted with honesty and integrity. A Directors' Code of Ethics can help define accepted/acceptable behaviors and promote high standards of practice. A Code of Ethics can also provide a mechanism for disclosure leading to informed decisions on matters involving the ethics of the Board. One of the most important elements of a Code of Ethics is a policy specifically about conflict of interest. Board members are likely to be affiliated with many organizations and businesses, both on a professional and a personal basis, so it is not unusual for actual or potential conflict(s) of interest to arise. Such conflicts, whether real or perceived, can serve to undermine public trust and may constitute a breach of Board members' fiduciary duties. It is therefore important for the Board to discuss and then set out on paper (a) what conflict of interest means and (b) what board members should do if they perceive a potential conflict of interest. Beyond having a written policy, it is also necessary to periodically refresh board members on the policy through discussion.

15. Accountability Counts: Maintain Strong Relationships with Your Stakeholders

It is important to account to members and stakeholders on programs, activities, accomplishments (or results achieved), financial management and the state of key relationships. This involves strong communications and vehicles for messages to be sent out to stakeholders (such as through a newsletter) as well as ways to allow those with significant relationships to the organization to communicate back. Maintaining strong relationships with stakeholders strengthens the legitimacy of your organization and enhances its reputation. It also builds a sense of trust, and this can help bring in additional resources, such as volunteers and funding.

16. Be As Prepared as Possible for a Crisis

Having a sound governance framework always helps organization to weather crises. Clear roles and responsibilities and strong financial and organizational stewardship can make a huge difference. Many organizations find it helpful to have an emergency communications plan or strategy, and to identify spokespersons and key messages long before they are required.

17. Know If You're On Track: Consider Measuring Your Board Performance

Both individual directors and boards as a whole struggle with how to answer the question: "how do we know if we are doing a good job?" It can be useful for boards to regularly evaluate their performance as this process can help board members to better understand their role, and can provide valuable information on the board's weaknesses and strengths. For example, a performance assessment can help shed light on whether a board has the right talent around the table.

Before you start measuring your board, however, it is important to think about what kind of board

exists now. Do you already know that you need different board members? Are there problems with micro-managing, or understanding of financial information? Should you train your board members better or change the documentation attached to your agenda? Should your priority really be on performance measurement? If so, should you use performance measurement to support another process of change?

Something else to consider is what your board sees as “good” performance. You need clarity on this to build a framework for evaluation of the board. All boards differ in terms of their levels of engagement, their board-staff relations, and their roles and responsibilities.

Once you’ve decided to proceed, there are different options for performance measurement. You can choose to evaluate individual board members, in order to help give participants the opportunity to improve their own effectiveness and better put their talents to use. You can also evaluate the board as a whole – something the Nominating or Governance Committee may have charge of as part of their mandate. There are a variety of options and approaches to use, including surveys, interviews and discussion. Sometimes outside consultants are used to ensure that the hard questions are raised, the sensitive issues are addressed and confidentiality is maintained.

18. Don’t Try to Do Everything At Once

Remember that board governance is a journey, not a destination. Decide on what you want to accomplish this year, and set priorities for the next few years. There is no need to try to tackle everything at once. Despite the hot glare of the spotlight on good governance these days, it is still important to remember that doing governance for governance’s sake is not the best way to proceed. Rather, the goal is to build and maintain a robust and appropriate governance framework in your organization. Getting there requires time, persistence, patience and strong leadership.

Roles and Responsibilities of Board Members

“An introduction and discussion of Board member responsibilities is intended to broaden the participant’s understanding of what they have to manage. The emphasis is on responsibilities (job descriptions) which will help participants to understand why it is so important that they govern themselves formally and act ethically in all of their deliberations. Being a Board member of a community development organization is a position of public trust” (*Volunteer Canada*). While time does not provide for an in-depth discussion of the topic Directors Liability, it is highly recommended that each board member read the document titled: “Directors’ Liability: A Discussion Paper on Legal Liability, Risk Management and the Role of Directors in Non-Profit Organizations, available on Volunteer Canada’s Website” available at www.volunteer.canada.ca.

The Governance Handbook, Government of Newfoundland and Labrador define the roles and responsibilities of directors, the Chief Executive Officer and Committees as follows:

Role of the Chairperson

The **Chair** is the official spokesperson for the Association on all matters of an internal and external nature. The Chair shall:

- < be responsible for the functions of the board of directors,
- < chair the board meetings, executive meetings, and pan provincial meetings,
- < represent the Association in the development and eminence of external relationships,
- < be ultimately responsible for the work plan of the Association,
- < report to the board of directors on matters related to board activities and involvement
- < mentor the vice-chair for succession planning purposes and ensure that all succession planning is undertaken with the board for long term growth of the Association
- < will represent the Association at external meeting of any operational and administrative nature.

In addition the **Chair** shall:

- < sign such papers as required by his or her office or as instructed by the Board
- < make such a report and recommendations to the Board and to members of the Association at AGM and spring meetings concerning the work and affairs of the Association which, in his or her discretion, are deemed desirable for their information and guidance and may require such reports from the Treasurer, Secretary and Executive Director as, in his or her discretion, are deemed necessary
- < shall perform all other duties incidental to the office of the chair.

Role of the Vice-Chairperson

The **Vice Chair** is responsible for the committees of the board of directors designed to implement the Associations' work plan. The Vice Chair will participate with the Chair on matters related to external relationships of the board and policy related matters in general. In addition Vice Chair shall:

- < chair meetings of the board in the absence of the chair
- < work closely with the Chair in order to facilitate succession planning within the executive committee
- < perform the duties of the Chair in the absence, resignation or in ability of the latter to act

Role of the Secretary

The **Secretary** shall assume internal operational duties as may from time to time be assigned to him or her by the board, including the responsibility for membership matters and services in general, staffing, project management and will monitor processes and policies of the organization and make recommendations to the Board. The **Secretary** will monitor the attendance of members and shall:

- < notify persons dropped from the Board for non-attendance or just cause,
- < be the custodian of all records of the Association, except such records and papers as shall be kept by the Treasurer, as herein provided
- < sign such papers as are required by his or her office or as instructed by the Board and incidental to carrying out that office.

Role of the Treasurer

The **Treasurer** shall be responsible for all monies of the Association. The Treasurer shall:

- < cause the funds of the Association to be deposited in one or more banks selected by the Board, to be disbursed in accordance with the instructions of, and upon signatures of persons designated by the Board
- < cause to be kept a full account of all monies received and paid out
- < make such reports thereof to the Chair, the Board and the Executive Director as they may require
- < cause the books to be audited at least once annually by an auditor approved by the Board
- < cause to be prepared and shall present at each annual meeting of the members of the Association a comprehensive financial statement.

Role of Individual Board Members

A member is expected to bring his views and those of the constituents to the board table. However, it is critical to understand the obligation to represent all stakeholders and to make decisions in the best interest of those being served. A member who fails to consider the broader of his role, and who fails to make the necessary separation between a single interest and the broader interest, can

seriously compromise a board's ability to deliver on its overall mandate. Each member should make sure he/she:

- < is familiar with the legislation, applicable to the board
- < knows and supports the mission, vision, mandate and goals of the organization
- < safeguards and promotes the values of the organization

- < comes to meetings prepared, asks informed questions and makes a positive contribution to discussions
- < makes decisions based on thorough evidence and research
- < actively contributes his personal expertise as needed on the board (business, finance, law etc.)
- < works harmoniously with other members without either dominating the board or neglecting his share of the work
- < supports decision and policies of the board in discussions outside of the board meetings even if he expressed a dissenting voice during discussions
- < respects the confidentiality of governing body discussions
- < fulfills his responsibilities in recognition of a fiduciary responsibility and does not represent the interests of a narrow constituency
- < discloses to the board any potential conflict of interest and removes himself from discussions where a potential conflict of interest exists
- < recognizes the role of management in carrying out the governing body's direction and policy and is careful not to interfere with the functions delegated to either management or staff
- < takes advantage of opportunities to be educate and informed about board and the relevant field
- < engages in the evaluation of the board and the CEO and in self evaluation

Role of the Chief Executive Officer

The CEO is appointed by the board. The CEO and the board work together to further the best interests of the organization therefore their relationship needs to be one of mutual openness, trust and respect. Upon appointment the Chairperson undertakes to ensure a thorough orientation for the new CEO to the roles and responsibilities and the organizational issues and concerns.

Additionally, the CEO should establish a liaison with the appropriate government officials, other CEO colleagues and the relevant provincial association(s) where they exist. Primarily, the CEO manages the day to day activities and guides the organization toward the strategic goals established by the board. However, the CEO is not simply an administrator. A CEO has to be a visionary, strategist and problem solver and is usually responsible for:

- < monitoring and evaluation of the organization's performance and initiating corrective action as necessary
- < participating in the strategic planning process as approved by the board
- < preparing operational plans and progress/performance reports for review and approval by the board
- < preparing the capital and operating budgets for required reviews and approvals

- < maintaining effective communications with the relevant partners/stakeholders
- < implementing approved organizational policies and procedures
- < evaluating the performance of the organization's executive staff
- < ensuring new employees are properly evaluated

- < ensuring the board has access to all relevant information necessary for the conduct of its business
- < maintaining effective communication links within the organization and between the board, its public and other stakeholders

Board Committees

Committees receive their mandate from the board and as such report to the board on their deliberations. The Board generally appoint committees to assist with its functioning.

The committees may be standing, meaning that they continue until cancelled by the board or ad hoc, meaning that they are appointed to fulfill a specific purpose. Standing and ad hoc committees involve either the participation of all members in the form of a committee of the whole, or of one or more members.

A board that attends to its primary responsibilities and that understands its role rarely if ever appoints ad hoc committees. However, there are occasions when issues of a time limited and critical nature necessitate the establishment of ad hoc committees. Once the time limit has been reached and the report submitted member should understand that the role of the committee is completed and it is duly dissolved.

A committee should not assume any additional responsibilities unless approved by the board. Committees are used where expertise is required. Each committee should have the following outlined in the board's bylaws, minutes and/or policies:

- < the purpose (terms of reference)
- < the membership composition
- < the degree of permanence (e.g. standing, ad hoc)
- < the reporting structure
- < parameters for decision making
- < the reporting expectations of the board

Dealing with Change

Successful change flows from learning, growth and development. The genius behind community

development is the shift that occurs from giving people help to helping people to help themselves.

It is important to involve the community in its own redevelopment and to recognize that support which has been freely given has made recipients dependent on the giver.

Community development is something that individuals who are living in depressed areas of rural Newfoundland and Labrador may not quickly adopt. Many people have built up a number of standard excuses for why their situation is what it is:

- < “The fishery is gone, she is never to return again”
- < “The bottom is out of the market”
- < “Our community has been turned into a make work project”
- < “We just live in a poor part of the country”
- < “You see there is the haves and the have nots”

The situation will not improve because there is a tendency to voice these beliefs, believe in them and then do nothing to change the situation. Think about these two statements:

“The cause of the situation is not the low price of our fish, or the lack of a seller’s market, or the amount of cod. The cause is our lack of action.”

“Give a person a fish, and you have fed that person for a day; teach that person to fish, and you have fed that person for life.”

Community development is about creating a paradigm shift which means people need to look at their situation from a different point of view. Instead of expecting someone else to do it, or view their situation as being hopeless, the community learns to rely on all its various players

*“Leaders of communities are responsible for building communities where people are continually expanding their capabilities to shape their future— that is— leaders are responsible for learning”
(Peter Senge, “The Leader’s New Work: Building Learning Organizations”)*

Find the change agents in your community, as they may be the individuals who have the ability to successfully lead and motivate others to become involved in your community development efforts. Recognize and honor the fact that people react differently to change and that many rural communities have developed a deep mistrust of governments, organizations, individuals who have been involved in decisions that have produced damaging, irreversible results. Spend time and effort into preparing fertile soil to sow the seeds for successful development and implementation of your community development process.

Remember that top/down imposed change, without community involvement has not worked in the past. Successful community development is *“a bottom up, grassroots, inclusive process whereby communities become more responsible; organize and plan together; develop healthy options; empower themselves; reduce ignorance, poverty and suffering; create employment and economic opportunities; and achieve social, economic, cultural and environmental goals”*. (Source: F. Frank & A. Smith, *Community Development Handbook*)

You will become better equipped to respond to your community's reaction to change when you:

- < Consider the changes that may result from community development activity
- < Anticipate the reaction of community members.
- < Consider the actions that may be taken to offset the impact of change.

Points to Consider

- \$ Change cannot be managed
- \$ Change is often ignored, resisted, responded to, beneficial, and orchestrated
- \$ Change can be seen as a threat or an opportunity depends whether you have prepared
- \$ Are you a change victim or victor? This depends on your readiness for change.
- \$ You cannot quickly reverse the tide of change that was caused by neglect or poor performance
- \$ We cannot expect to turn our community into a model of innovation within one to two years because we received seed funding
- \$ You cannot expect to change years of bad habits and poorly planned strategies overnight
- \$ Community development requires long term culture, habit, and skill changes
- \$ You deal with change by improving you
- \$ Successful change and continual improvement go hand in hand
- \$ Research indicates that changing is only another word for learning
- \$ People who are always learning are those who can ride the waves of change
- \$ Change can be seen as a world filled with opportunities or a world filled with threats

Change agents will be those who:

- spot change when it is on the horizon
- accepts that it is part of life
- prepares themselves and helps others prepare
- adapts quickly by accepting the inevitable
- chooses to enjoy the experience

Change agents are people who become resilient during times of uncertainty. They are easy to spot during times of change because rather than being depressed, they are the enthusiasts and the innovators. They create new approaches and form new ideas. Change becomes a threat only when our communities fail to learn, grow and develop at the speed of change (or faster).

Common Issues and Challenges

The Institute on Governance advise that common issues and challenges may emerge from many sources, including history and traditions, assumptions and perceptions, people and their values and an organization's governance framework. Here is a list of some common governance 'gremlins'.

- < Lack of consensus about the mission of the organization
- < Lack of consensus about its vision
- < High Board/CEO turnover
- < Lack of consensus on Board role
- < Board members do not fully understand their duties and liabilities
- < Board members have difficulty reading financial statements
- < Unresolved conflicts on the Board or between the Board and the CEO
- < Lack of understanding on roles of Officers, or how one gets to become an Officer
- < Current board practice or structure does not match by-laws
- < Confusion over conflict of interest
- < Too many committees
- < Committees that are not engaged in important work
- < CEO-run Board
- < Rubber-stamping by the Board
- < Board micro-management
- < Decision paralysis
- < Lack of strategic direction and clear priorities for the Board
- < The Board runs well but focuses on the wrong issues
- < Board members do not speak as a united front once they leave the Board room
- < Poor attendance at Board or committee meetings
- < Poorly chaired meetings
- < The Board is not getting the right information in the right format
- < Lack of clarity on role of Board vis-à-vis staff
- < Poor relationships with stakeholders
- < Members of the organization are not involved or consulted
- < Volunteer fatigue or staff burnout

Typically, these kinds of difficulties arise from problems in a few core areas, such as an inadequate understanding of the role of the board. Others may arise from an inadequate understanding of where the borders between board and staff responsibilities lie and the need for these borders to change over time due to various circumstances and others may arise from a lack of understanding of the key accountabilities of an organization.

To address problems such as these in an enduring way, it is important to address the root cause(s) not just the symptoms.

Section III: Recommended Resources

The following resources have been recommended as tools to support continued learning and development. They have been selected based upon the quality of the content and the briefness and effectiveness by which the information is being communicated and presented.

Community Development

The Community Development Toolkit

The Community Development Toolkit, published in 2005 is a 165 page document. It is available on the website for the International Council on Mining and Metal (<http://www/icmm.com>) under the publications □ reports links. This is a highly recommended resource tool; it is easy to read and to navigate. It was published by ICMM, the World Bank and ESMAP to support government, industry, and community efforts to realize more sustainable community development around mining and mineral processing operations. The English version of the Toolkit is divided into sections which can be downloaded. Alternatively, hard copies of the Toolkit can be ordered from info@icmm.com.

The Community Development Handbook: a Tool to Build Community Capacity

This handbook was published by Human Resources Development Canada in 1999 and was written by Flo Frank and Anne Smith for HRDC. It was designed to be an introductory guide to community development and capacity building. Copies of this handbook, as well as the related Community Development Facilitator's Guide, in both French and English, are available from the HRDC's Internet Website at www.hrdc-drhc-gc.ca/community.

The Partnership Handbook

This handbook was published in Human Resources Development Canada in 2000 and was written by Flo Frank and Anne Smith for HRDC. It was designed to support the most current understanding and development of partnerships. It recognizes that partnerships are an important vehicle for building community capacity and undertaking community development initiatives. Copies of this handbook, as well as the related Community Development Facilitator's Guide, in both French and English, are available from the HRDC's Internet Website at www.hrdc-drhc-gc.ca/community

Organizational Governance

Leadership

In 2005, Jim Collins published a handbook, *“Good to Great and the Social Sectors, A Monograph to Accompany Good to Great: Why Business Thinking is not the Answer”*. Collins demonstrates his “joy for learning more about the challenges facing social sector leaders– and puzzles over questions that arise from applying your work to circumstances quite different from business”. This short book (33 pages) offers a “Good to Great Framework” which addresses the following five issues:

1. Defining Great - Calibrating success without business metrics
2. Level 5 Leadership - Getting things done within a diffuse power structure
3. First Who - Getting the Right People on the Bus within the Social Sector Constraints
4. The Hedgehog Concept - Rethinking the economic engine without a profit motive
5. Turning the Flywheel - Building Momentum by Building the Brand

Management

Les McIlroy’s small handbook, “The Manager’s Mentor” provides simple answers to complicated questions. Some of the short practical readings in this book include: the communications power grid and how to use it; running meetings that solve problems; how to deal with the media; and the selection interview.

Peter Drucker, a world renown leadership and management consultant, his book titled, “Managing the Nonprofit Organization: Principles and Practices”, offers very practical information which is based upon years of valuable research and development efforts in combination with the sharing of rich lessons learned by many change experts. For those who are interested in learning from one of the best in the field, this book is a tool which will guide you, the future leaders of our communities, towards adopting good governance principles and practices.

Ken Blanchard and Spencer Johnson’s, one hour read, “The One Minute Manager”, after two decades, still offers one of the world’s most popular management methods.

In his book titled, “The Rules of Management: A definitive code for managerial success”, published in 2005, Richard Templar offers 100 management rules: 34 rules for managing your team, and 66 rules for managing yourself.

Change

Robert H. Waterman, Jr., in his book titled, *“Adbocracy: Ad-hoc-ra-cy: Any form of organization that cuts across normal bureaucratic lines to capture opportunities, solve problems, and get results”*, provides valuable lessons learned from change masters. A read of this short book will quickly demonstrate that while formal policies, legislation etc. (a.k.a. “bureaucracy”, “governance frameworks”) provides the basis for dealing effectively with day to day problems, the reality is that change ignores these governance

structures. Change cannot be managed. The irony is that we all know this, yet we choose to act as if we don't. Organizations try to use its governance/bureaucratic structures to cope with change as it is happening and it is the wrong approach to dealing with change.

In his bestseller, *“Who Moved My Cheese?”*, Spencer Johnson, M.D. presents *“An Amazing Way to Deal with Change in Your Work and in Your Life”*. Johnson takes a lighthearted approach through storytelling to illustrate an effective approach to dealing with change. This book is a one hour read.

Recommended Websites:

Help4Nonprofits, <http://www.help4nonprofits.com/index.htm> provides access to a wide range of resources that support community driven organizations.

Institute on Board Governance, Learning Tools, www.iog.ca/boardgovernance/index provides information on just about every key issue for which a board will need to be apprised in order to develop an effective governance framework. This site provides: templates of bylaws, policies etc.; highlights common issues and concerns and offers solutions to critical problems.

McNamara, Carter MBA, PhD. A free toolkit for Boards: www.managementhelp.org/boards. This website provides a wealth of practical information pertaining to board governance and many other useful topics pertaining to individual, team and organizational development. This site is user friendly, and has become a useful resource for many in the field.