

Make better governance decisions through purpose-driven engagement

What you'll accomplish:

This tool helps boards and staff leadership to make better governance decisions by:

- Unpacking the decision so it drives who should participate and the best processes.
- Helping to ensure that decisions include the perspectives of those most impacted by them.

How it works

The whole board and staff leadership, or a smaller working group participates in this generative exercise using this Governance Decision-making Framework:



Go to the Conversation Guide for detailed instructions.

Conversation guide



Overview

Use the Governance Decision-making Framework below to unpack decisions avoids many common issues, such as:

- ⊗ A few people, like the Executive Committee, making all the important decisions.
- ⊗ Missing the winning conditions for effective engagement.
- ⊗ Focusing on tactical and routine decisions at the expense of strategic ones.

The steps in this process answer these critical questions:

Governance decision-making framework

What What is the decision that needs to be made?

So what

Where does the decision fit on each of the continuums?

Simple.....complicated.....complex

Tactical/routine.....strategic

Low risk.....high risk

Now what

People: Who

What skills, experience, knowledge and attributes are required to make a good decision and who should participate?

Process: How

What's important to the process design, such as environment and people dynamics, information and communications, and decision-making parameters?

The work can be done with the whole board and staff leadership, along with anyone else participating in governance work. Alternatively, a smaller task group can do initial work and then facilitate input from others.

TIPS

- A facilitator drawn from within or outside your organization can guide the process, summarize the conversations, keep people on track, and ensure everyone feels engaged.
- This exercise doesn't produce a comprehensive action plan, but will save time when it's created later.

Three examples of completed frameworks to see how it works.

1 Example

What

Decision: Should we renew the audit firm that has served us well?

Note: Get clarity about the decision to be made. For example, it would be a very different decision if the audit firm wasn't working well, shifting it from a simple, routine, low risk decision to a more complex, higher stakes one.

So what

Simple.......complicated.....complex

It's a simple decision because it can be easily accomplished.

Tactical/routine.......strategic

It's tactical and routine because it's made annually. It needs sign-off, but doesn't require extensive analysis or conversation.

Low risk.......high risk

It's low risk because the decision is unlikely to jeopardize the organization.

Now what

People: Who

The staff can prepare background information, and the board approves it. The decision doesn't require extensive expertise.

Process: How

The decision is simple, tactical, and low risk so it can be placed at the end of the agenda or in the case of a consent agenda, approved prior to the meeting. This frees the board and staff leadership to focus on more strategic and complex decisions.

2 Example

What

Decision: What will our success look like in the future?

Note: Framing the question properly enables participants to have a shared understanding. For example, there are many definitions of the word 'success' based on personal biases and perspectives, such as those who are more comfortable with numbers understanding it differently than story tellers.

So what

Simple.....**complicated**.....complex

It's a complicated decision because there are many steps and factors, but it doesn't require a complex process.

Tactical/routine.....**strategic**

It's a strategic, not routine, decision that requires big picture, longer term, integrative thinking.

Low risk.....**medium**.....high risk

It's medium risk because the vision of success may take the organization in the wrong direction, but it can be revised with changing circumstances.

Now what

People: Who

This is not a high-risk decision and while complicated, it's not complex.

It requires a wide range of competencies like strategic thinkers, visionaries, storytellers, and analysts. It benefits from a diversity of perspectives and experiences, such as from staff, those served, collaborative partners, and other community members.

Process: How

The process requires a dynamic environment so participants can envision success, with lots of healthy debate, scenario playing and creative thinking.

To feel confident in the decision, participants need reliable and thorough information, such as environmental factors and client needs.

Having decided to share decision-making broadly, authentic engagement is essential, like providing a safe space for sharing ideas, generating assessable information, and setting clear parameters about who's empowered to make what parts of the decision.

3 Example

What

Decision: Should we merge with [this] organization?

Note: Is this the right decision to be made? It presumes that other alternatives were explored, such as integrating programs or back-office functions with another organization.

So what

Simple.....complicated.....**complex**

It's a complex decision because it requires tough choices and there are deeply interconnected factors, without an obvious answer. As well, there are competing interests, such as between staff, those served, and funders.

Tactical/routine.....**strategic**

It's strategic because it has long-term implications; goes to the heart of the mission; and a higher-level decision preceding a tactical plan.

Low risk.....**high risk**

It's high risk because there may be significant negative impacts on the organization's entire ecosystem and those within it.

Now what

People: Who

It's a complex, strategic decision with high risk and therefore the board and staff leadership must be deeply involved. As well, it has broad implications so can benefit from input from those who will be most impacted.

A wide range of competencies are required, ranging from strategic, financial, risk, and program management to people dynamics.

Process: How

It should be a more formal and centralized process controlled by the board and staff leadership with well-orchestrated input from others.

Given its complexity, with many variables, it requires a carefully designed decision-making process, including unbundling the interconnected parts and addressing issues like conflicts of interests and assumptions.

It can't be rushed. For example, it needs considerable consensus-building as well as thorough analysis of hard issues, like financial, and soft issues, like culture alignment.

Pework

All participants need a clear understanding about governance responsibilities.

These are helpful:



- [Board Essentials](#)
- [Governance Functions and Responsibilities in Nonprofit Organizations](#)

These resources provide context:

- [Differentiating Governance Responsibilities and Decisions](#): three continuums on which decisions can be placed.
- [The Continuum of Participation in Nonprofit Governance](#): ways that people can participate in governance decision-making.
- [The Governance Culture Impact wheel](#): how culture impacts governance decisions and choices.

Steps

Step 1 Determine intent

Do we want to use the process when:

- a A significant governance decision emerges, such as an opportunity, issue, choice, or problem.

----- OR -----

- b Doing a review of governance decision-making. For example, identifying or refreshing how governance responsibilities are assigned or ways to make it more effective, such as separating routine decisions from strategic, high-risk ones.



NOTE: If you choose B, then identify all the key decisions that need to be made and use Steps 2-4 for each one.

Step 2

What

Determine the decision

What is the decision to be made?

TIPS



Frame the decision accurately.

Here are some probing questions:

- Is the required decision clear? For example, do we use concise language that everyone understands in the same way?
- Have we gotten to the root of the decision? For example, 'should we make cuts' is a sub-question to 'how do we address our revenue shortfall'?



Keep it to a few sentences.

More context can be added later when you do a tactical plan, such as describing the desired outcomes and goals and scope and constraints.

Step 3

So what

Identify the kind of decision

Where does the decision sit on each of the three continuums?

TIPS




For more information about the continuums, go to:

[Differentiating governance responsibilities and decisions.](#)



Click on [these three examples](#) of completed frameworks to better understand how decisions can sit on the continuums.

CONSIDERATIONS

 Place the decision on each of the three continuums:

Simple.....complicated.....complex

Tactical/routine.....strategic

Low risk.....high risk



Note: A decision can sit anywhere on the continuum, it's not necessarily 'either/or'. For example, it might be a 'medium risk', or strategic but happens somewhat routinely.

Step 4

Now what

Determine who and how

- Who should participate in the decision and
- What are the conditions for successful engagement.

TIPS



This is a generative conversation, let the type of decision drive who participates and how.

- Focus on possibilities, not just existing norms, such as 'the board always makes this decision' or 'the full membership must have a significant voice'.
- Think beyond the competencies currently available on the board and with staff leadership because they can be augmented.



Click on [these three examples](#) of completed frameworks to better understand this step.




This [Continuum of Participation in Nonprofit Governance](#) describes the ways people can participate.

a People: Who

What does the nature of the decision tell us about who participates?

CONSIDERATIONS

 Who must participate? Is there clarity about what the board must do based on the law and regulations and what can be shared or delegated? For example, the board must approve the organization's strategic plan, but not necessarily develop it. See: [Board Essentials](#).

 Who could participate? Prompting questions:

For example

→ How does the nature of the decision impact who participates?

- High risk, complex decisions must at least engage the board and staff leadership.
- Less risky, strategic decisions can be shared more broadly.
- Low risk, highly routine decisions can be delegated to staff or committees.

→ What competencies are required to make a good decision?

For example

- **Skills:** hard skills, like accounting and data analysis and soft skills, like problem solving, communication, and innovation.
- **Experience:** such as a deep understanding of issues/opportunities and lived experience.
- **Knowledge:** an appreciation of the organization's ecosystem or a professional understanding of the field.
- **Personal attributes:** such as empathy, integrity, and good judgement.

a Process: How

What does the kind of the decision tell us about the necessary conditions for successful engagement?



This is a generative conversation which informs a more detailed plan.

CONSIDERATIONS



What kind of environment and people dynamics will unlock the best possible decision? Such as:

- A welcoming space and acknowledgement of power dynamics.
- A logical, careful discussion or open and lively debate.
- Value driven conversations that are seen as equitable and inclusive.



What information and communications will enhance decision-making? Such as:

- Timely, easily accessible information tailored to preferences.
- More narrowly distributed and highly confidential or broader and more open.
- Analysis, data and/or stories.



What are the parameters for decision-making? Such as:

- The scope, timelines, and authority to make the decision.
- Defining the roles, for example is the board consulting, involving, collaborating with, or entrusting the decision to others. See [Continuum of Participation in a Nonprofit's Governance](#).

Step 5

Next steps

What happens now?

CONSIDERATIONS

- Who will capture and share what was learned through this conversation?
- How will this inform a more detailed decision-making process, including the engagement plan?
- Who will do what next steps and by when?

This tool is part of the Reimagining Governance Lab, a virtual hub for governance innovation full of resources, tools, and stories. [Visit the Lab.](#)

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