Governance in Context

Examining the history and current state of non-profit and educational governance

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Some Caveats

- My thinking is based, above all, on my 2011-2012 doctoral research, which was limited to four seminaries in Asia, Eurasia, South America, and the Caribbean as well as some less formal research in Africa in 2011.

- Also influenced by my interaction with other institutions and organizations globally.

- Writing on this subject remains heavily centered in North America.

The roots of Governance – Voluntary Associations

Voluntary Associations– a world apart from business and government

- Context matters: "cultures of philanthropy and voluntarism… parallel cultures of economic and political life" (Hall, 1992)

- The unique flowering of voluntary associations in colonial and antebellum America. The "booster spirit" (Boorstin) of the frontier and reliance on community.

- The challenge of civil society elsewhere. How to govern an organization with a social function absent from the church (Latin America, southern Europe), the state (Soviet Union, China), or business (???).

- To what degree are voluntary associations woven into the fabric of Germany?

The rise of academic governance

- The impact of context on forms of academic governance — from medieval Europe (Bologna, Paris, Oxford, Cambridge) to contemporary Europe and America. How do these institutions respond to external power structures and constituencies?

The Constituency

- Responding to those whom you serve

- Sometimes simple, sometimes complex! The one-room school vs. the state university.

- The central role of money, perhaps especially in the US context? The political context of higher education governance.
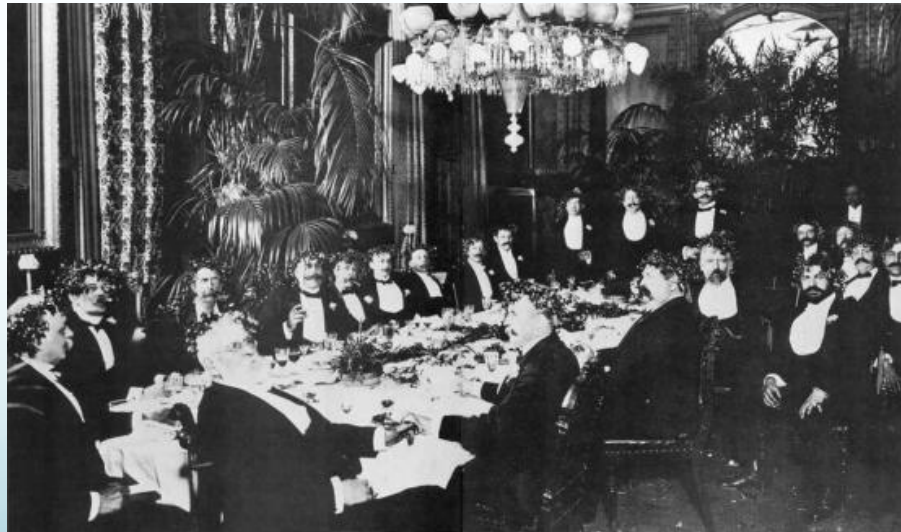
The mission constituency

- The work of Protestant mission, back to William Carey and Hudson Taylor, has relied on a constituency of supporters who have, at least in part, also had governing influence.

- Challenges? Positives? Negatives? Current realities?
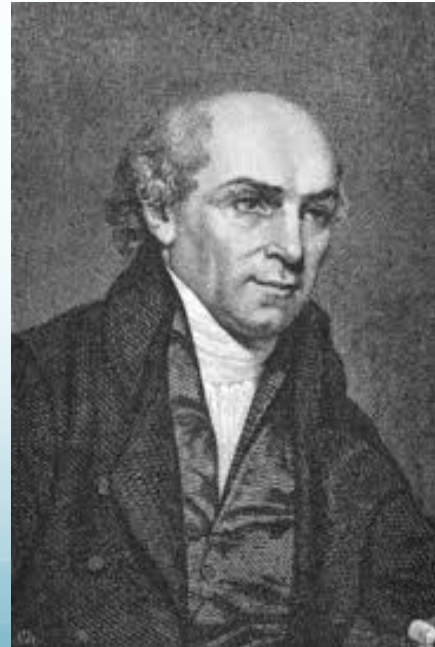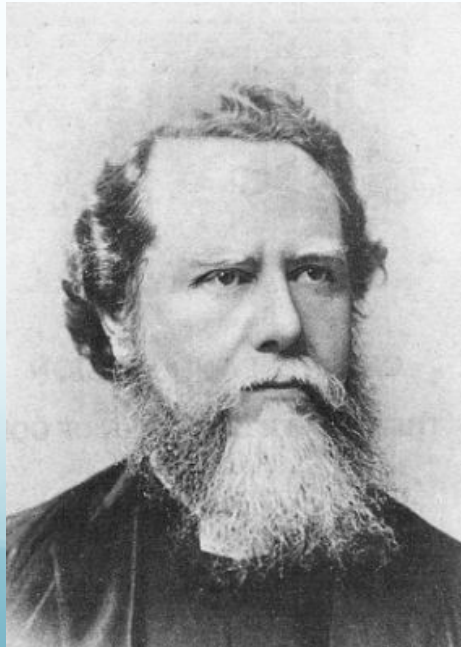
The Powerful Machine Metaphor

- For much of the late 19th and early 20th centuries, the machine model was dominant in organizational dynamics thinking, including in education.

- If you get the parts right, everything will work well. High faith in systems and state.

- Still present in implicit ways long after it faded in explicit forms.

Increased Tensions

"unraveling of consensus" in educational institutions, and a move from "governance by consensus to governance by conflict" (Nason, 1983)

Issues that have increased the complexity of governance –

- increased government oversight

- the increased professionalization of the NFP sector

- higher demands for effectiveness and efficiency

- Greater specialization in academy

- Calls for diversity

"Complexification"

The state of board governance – circa 1990

- Most governing boards either over-involved or under-involved – or strangely – both!

- Lack of clear boundaries between management and governance – "micro-management" as greatest board problem.

- Lack of clear oversight function, leading to many scandals in both NFP and corporate world.

- The rise of an understanding of a "global governance challenge"

The Carver Revolution

"the purpose of governance is to ensure, usually on behalf others, that an organization achieves what it should achieve while avoiding those behaviors and situations that should be avoided"

VALUES

MEANS

ENDS

POLICIES
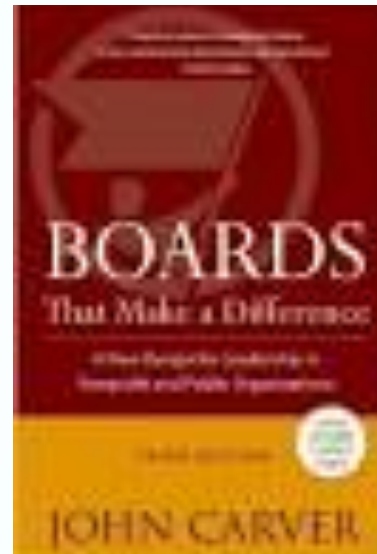
The thorny issue of constituency

A subtle tension arises in the literature concerning the issue of ownership and constituency. Carver (2006) defines this in stark terms, differentiating between **"moral owners,"** those to whom a board feels accountable, and **"primary beneficiaries,"** or those whom a board serves. Smith (1995) takes the most radical approach of any of the literature, arguing that at times, a board must decide to take an institution in the direction **that serves the good of society,** while perhaps failing to honor the desires of closer-at-hand constituencies.

The interpretive turn

- "Trustees should be reflective, that the board should be a community of inquiry, more precisely, a community of interpretation" (Smith, 1995).

- Boundary Spanning – (Middleton, 1987)

- Adaptive Leadership – (Heifetz, 2009)

- The Learning Organization – (Senge, 1995).

- *Governance as Leadership* – (Chait, Ryan, and Taylor)

  The focus shifts from what organizations __are__ to __what they could become__. Strong sense of engagement with changing environment. Multi-modal leadership.

The governance team

- Eadie (2007) suggests that governance is a team effort, practiced best by a "strategic governing team," (p. 16), composed of board, CEO, and senior executives. Although stressing the need for proper structures, Eadie affirms the importance of developing both the professional and relational architecture in a way that is resonant with some of the works discussed above.

- The "board-savvy CEO"

- Ostrower and Stone – quantitative research showing that relational engagement in the governing process is most important to governing effectiveness.

My Study

Asia – A 20-year-old interdenominational institution focused on professionals; evening courses + grad. Programs.

Africa – A 20-year-old large denominational seminary with several traditional programs and professional grad programs.

Europe – A 20-year old quasi-denominational seminary moving from traditional residential to modular programs.

My Study

Latin America – A 50-year-old denominational seminary serving professionals with night courses plus grad. Programs.

Caribbean – A 30-year-old interdenominational seminary focused mainly on training of counselors with a small theological program.

A Concert of Governance – A critique of Carver, with help from Heifetz et al.

- Heifetz et al (2009) -- organizations are inherently conservative places that are resistant to change; prefer to stay in their "comfort zone"

- Technical (fiduciary?) issues are easy to resolve; Adaptive changes challenge people's priorities, beliefs, habits and loyalties.

- Technical problems can be solved internally within the organization, often by management alone, adaptive problems require the participation of stakeholders as well

- The use of authority can lead to a place where "good leadership" comes to be defined as "excellence in executing directions set by others," *preventing* the exercise of adaptive leadership, which in its essence is poised to raise critical questions about the nature and direction of the organization.

Although [these institutions] possess boards that clearly understand that they hold the final fiduciary authority for the institution, their governing practices in general **tend to lean heavily on a presidential figure who in turn draws effectively on a web of interlocking relationships both within and without the community of the institution**, especially among senior management. **These relationships tend to be indwelled strongly with trust**. In this way, the line of authority becomes a bit blurrier, with much boundary spanning taking place. While policies may exist, the boards clearly rely to a large degree on the insights of others within the organizations and, at times, through relationships with broader networks of stakeholders in the community. (Ferenczi, 2015).

Six essential elements of adaptive governance in theological education

A Community of Trust - This category suggests that presence of a fabric of relationship and trust (or lack thereof) within the institution and a sense of commonality in accomplishing the task of mission. These usually expressed themselves in respect for and trust of leaders (especially CEOs) and board. An equally important aspect was expression of trust and support *by leaders* for their staff, faculty, and board members, *across the fabric of the community.*

Alignment of the Parts - This category indicates not only the presence of trust and relationship, but also the interaction of various people and structures within the educational institution in a unified pursuit of mission. This expressed itself in unity between the perceived needs of the context, the explicit academic curriculum, as well as the hidden and null curricula.

Strong, Enabling Leadership - The "system" of alignment of the various parts of the organization was in all cases dependent on a strong, enabling CEO figure. It was not merely the presence of strong leadership, or even strong, enabling leadership, but rather the exercise of strong, enabling leadership in an aligned community of trust.

A Shared Commitment to Education that Transforms - This was expressed through at least three key concepts: a commitment to worldview change in students, a commitment to empowerment of students as agents of gospel change in lives, communities and societies, and a dedication to the unity of knowledge, belief, and actions in the educational process. Again, the relationship of this category to 1, 2, and 3 was mutually reinforcing.

Reflective and Responsive Interaction with the Surrounding Community/Society – This category was evidenced by awareness of and concern for broader social and cultural issues, presence of interaction with a variety of both direct and indirect constituents of the theological school, and expression of influence of this awareness and concern on the forms of education and administration practiced by the school.

The Importance of Planning for the Future, Especially for Succession – This category suggested that the above categories, even when full present, remain deeply fragile and are subject to disruption in the event of either expected or unexpected leadership transition.