

## **IS OUR GOVERNING BOARD FIT-FOR-THE-FUTURE?**

**29 June 2022**

The international aid sector, particularly the relief industry, needs serious reform. Its political economy and its dominant mindsets have been characterised as ‘colonialist’ and even ‘racist’. That is not fair on the many international agencies and individuals who treat with respect the people intended to benefit from their action, and work in equitable partnerships with national and local actors. But the general truth of it cannot be denied. Well intentioned aid can still be provided with an assumption of superiority of the giver and blindness to how it maintains structural inequalities. At a broader level, we now live in a situation of accelerated changes, geo-politically, economically, environmentally, and socially. The world in 2030 will be quite different from that in 2010. For both reasons, the status quo is not an option.

Rhetorical adaptation of an organisation will miss the mark and eventually undermine its credibility. Modest reorientations may not be enough. The times demand a courageous reflection on the *raison d’être* of an organisation, whether its mission or how it has been pursuing that mission is still valid, and where and how it can provide most value for what the world we see emerging will mostly need.

The highest governance organ of an organisation, its Board of Trustees / Conseil d’Administration / Präsidium, should play a significant role in this. Not all Boards are very functional and performing, but even those who are tend not to engage in such fundamental reflection on the possible futures of their organisation and consider radical alternatives to what and how it is today.<sup>1</sup> Governing Boards tend to have two priority concerns: The financial health of their organisation and its reputation. Understandable as this is, that makes Boards intrinsically conservative, and risk- and radical change averse. Unconsciously, it also reinforces a problematic, siloed individual agency perspective on being and acting in the world. That is increasingly against the grain of the systems-thinking that our world-in-increasing-crisis needs today and tomorrow.

For Boards to be fit-for-the-future, here some questions to consider:

### **1. How diverse is the composition of our Board?**

Gender-balance is now well recognised; diversity in terms of ‘colour’ has only become a prominent question over the past two years now that the conversation about racism in the not-for-profit sector can no longer be ignored. Many societies, including in the so-called ‘global South’ are made up of people of different colour, which often is turned into a social marker of differentiated status. If our society is multi-coloured, can our Board remain uni-coloured? And what about age diversity? Are younger people present in our Board, not only in demographically young societies, but also in those with many older people – because, inevitably, the future is theirs? <sup>ii</sup>

### **2. How relevant to our purpose is the experience of our Board members?**

Whatever the focus of our organisation’s mission, do we have Board members with lived, practical experience of those we intend to serve? If we work for refugees, are there Board members who have been refugees? If we work for poverty reduction, are there members who have experienced acute poverty? If we work in education, are there Board members who have practical experience in the classroom? If we are a research organisation, do we have Board members with research experience, and if so, what type of research: only methods to generate quantitative results, or also qualitative methods, even participatory research? How many Board members have listened directly to people from our target group over the past 2 years, how many have listened directly to other, local and national actors, responding to the challenge in their environment? <sup>iii</sup>

### **3. Are we having the conversations about power and prejudice, racism, decolonising mindsets and behaviours?**

The not-for-profit sector claims to be acting out of solidarity and shared humanity, to be inclusive and to empower people in weaker positions. In practice, we now no longer can deny that it can also be full of prejudice and bias: against women, against people of other colour or other faith, against agencies from another society, sometimes against government institutions. The highly unequal distribution of financial resources creates power imbalances that are often ignored yet abused and denied. The money holders can easily exclude and disempower. While we claim to empower others, and support them to 'speak truth to power', do we become defensive if someone speaks truth to 'our power', will we distance ourselves from those who express a critical view on us, as we do on them? This is no light matter; it goes to the heart of the values and ethos of an organisation.<sup>iv</sup> Nor is it just an external relations matter: Most not-for-profits are very hierarchical, and responsible use of and abuse of power within the organisation needs to be examined within the organisation as well. Internal and external practices of power may influence or reflect each other?

Board members cannot just take notice and approve the agency having critical reflections on this, without putting itself in the picture. Board members themselves must have a, probably facilitated, critical reflection on their own underlying assumptions which may reflect bias or prejudice, on their own views on and practices regarding power, on racism, and 'colonial' or 'neo-colonial' mindsets and behaviours. Listening to 'the others' and their experiences, and hearing critical perspectives from the 'colonised', past and present, must be part of this. This is particularly relevant within the context of aid-supported 'North-South' interactions. But it may also apply within aid-recipient countries, which can have its own 'center-periphery' dynamics. Conversations about prejudice, power imbalances, race, assumptions of superiority etc. cannot just remain at the intellectual level. They need to get personal. The self cannot be dissociated from the system – because the culture within and of the organisation is shaped by the mindsets of its (key) people – including those of the Board. And we must watch out for the 'yes but' reaction, often a signal of a reluctance to fully acknowledge uncomfortable truths and how we are part of it.

### **4. Do we take a holistic, eco-system, perspective or stay with a siloed, ego-system, one?**

The incentives in the global aid system are for competition, not cooperation. The focus of Boards on the financial health (and preferably growth) and reputation of the organisation they are responsible for, further reinforces a single agency perspective. This is not tenable. The challenges the world faces today are too complex for a single agency to have any deeper impact on. The number of actors has also increased hugely over the past 20-25 years; their continued competition leads to fragmentation, which reduces the potential of deeper impact. Collective impact approaches require organisations to step out of their silo-behaviours and see themselves as part of a larger system of actors whose complementary actions are required to address a complex issue. Such complementarity that can only be realised through equitable collaborations, not one of dominance and subordination because of monetary transactions between them.<sup>v</sup> Single agency perspectives are part of the problem and weaken the attempts at solution.

So, does our Board examine whether our organisation is fit-for-partnering, notably for equitable partnering? Can it imagine our organisation not in a lead role, but in a supporting one, serving the wider collective – which can be a critical though less visible role? If we work in 'alliances', do we invite and formalize a 'collective governance' structure, and if so, how do the individual Boards of alliance members relate to that? Do we keep it toothless because the formal legal responsibility remains with us, or do we give it real influence?<sup>vi</sup>

Can our Board see sharing responsibility with partners, and therefore losing our tight control, as an opportunity, not just a risk? Can we accept that in an increasingly volatile and unpredictable world, total risk avoidance is impossible – and even counterproductive? Do our risk matrices include the risks resulting from avoiding all possible risks? Does our vocabulary include the notion of 'risk reward' – the benefits of having dared to take a certain risk? Are we examination where and how we tend to transfer risks within our collaborations and whether that is ethical and responsible? Are we working through what risk-sharing means in practice, taking each type of risk and examining who is most exposed to it, and what sharing a particular risk then means for us, in practice?

## 5. Are we doing foresighting – do we dare to consider the ‘unthinkable’?

Foresighting does not mean forecasting i.e. predicting the future with a fair degree of confidence. It means envisaging different possible futures. Such ‘envisaging’ can be done with reliance mostly on the imagination, but also with a more disciplined exploration of the actors and factors that we expect to exercise strong influence on what medium-term future will emerge.<sup>vii</sup> That is valuable for two reasons: It prompts us to ask the question what possible futures we seem currently fairly prepared for, and which ones we are not. It also invites us to consider what we as organisation can or must do to increase the probability of that possible future happening, that we find most desirable.

Such reflection requires an investment in a strategic analysis of possibly larger scope than our organisation is used to.<sup>viii</sup> It goes beyond a consideration of the immediate environments our organisation has been operating in for the past 5-15 years, and beyond the 3–4-year strategic planning horizon. It requires a broader reflection on ‘the state of the world’ and where we see that going by 2035-2040. The starting point is not: how can we maintain business continuity but ‘what does and will the world need?’ A next key question becomes: Is the international aid sector, as it has existed for the past 15-20 years, effective in addressing some of the big needs of our near future effectively? Can we look at the political economy of that international aid system, how power is distributed and used in it? Does it address the structural issues as well as the symptoms and consequences? Does it actively or passively contribute to these structural issues? Can we confidently assume that the international aid sector, with its costly multitude of agencies, its fragmentation and competition, has been and will continue to effectively address those challenges (even if it is given more money), with the same political economy?

If not, what is our responsibility in maintaining or changing the international aid system? Are we actively defending and promoting the status quo? Might we be passively complicit by not speaking out because we fear negative consequences? Should we liberate ourselves somewhat but pursuing a different business model that reduces our dependency on institutional aid funding, so we have greater margin to do the right thing and do it right? (Can we be more (cost-) effective by changing what roles we play in a landscape full of other actors, which may well be possible with a slimmer organisation, with less fixed operating costs.

Does continued growth actually prevent us from adapting faster and better to significant changes in the world? Is our own organisational growth-drive part of the widespread growth obsession that is taking our planet to environmental collapse? Could we be more relevant and bring more added value by putting less of our energy and resources in something we have been doing for many years, and more in new ventures, new areas of work? Could we be more efficient and more effective if we were smaller and more focused but excelled at what we do? Has our organisation outlived its relevance and usefulness in the world, should we free up the resources and energy in it to join other efforts or initiate new ones that the future needs and are still largely unattended?<sup>ix</sup>

Unthinkable? What fears, whose interests, stand in the way of our fundamentally reviewing our purpose, added value and potential for impact?

## 6. Do we nominate an executive leadership from the past or for the future?

There should be a healthy balance between governing boards and executive directors, but ultimately the latter is appointed by the former. So, do you appoint a leader from the past or one for the emerging future? A question that also holds for the Board members themselves!

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<sup>i</sup> See GMI 2018: Effective and Accountable Boards of Trustees: Some pointers <https://www.gmentor.org/competencies-development-centre>

<sup>ii</sup> For one analysis, see Worden, R. & P. Saez 2021: Shifting Power in Humanitarian Nonprofits. A review of 15 NGO Governing Boards

<sup>iii</sup> See for example Humanitarian Advisory Group 2018: Drawing on Our Diversity: Humanitarian leadership & Social Impact 2021: Benchmarking Race, Inclusion and Diversity in Global Engagement. 2021 Survey results

<sup>iv</sup> See GMI 2021: Anatomy of Power. International aid agencies and national crisis responders. An invitation for reflection on the responsible use and abuse of power; and GMI 2022: Power Literacy. Understanding and working with power. <https://www.gmentor.org/facilitation-and-partnership-brokering>

<sup>v</sup> See Kania, J., J. Williams, P. Schmitz, S. Brady, M. Kramer & J. Splansky Juster 2021: Centering Equity in Collective Impact. Stanford Social Innovation Review

<sup>vi</sup> See e.g. Uit de Weerd, F. & J. Fridjhon 2021: Systems Inspired Leadership. CRR Global

<sup>vii</sup> Kennedy, E. & M. Maietta 2022: Strategic Planning in the Humanitarian Sector. A manual to foresight and futures-focused thinking. Routledge; see also IARAN 2017: The Future of Aid INGOs in 2030.

<sup>viii</sup> See e.g. Preskill, H. et al 2019: Engaging Boards and Trustees in Strategic Learning. A toolkit. FSG & GEO

<sup>ix</sup> See also Van Brabant, K. 2022: Fitness Exercises for Aid Agencies <https://www.linkedin.com/pulse/fitness-exercises-aid-agencies-koenraad-van-brabant/?trackingId=UxZTECG8uhb7B12ytHwonQ%3D%3D>