

A Change in Culture

FINZ is nearing the end of the transition from management to governance, so what does it all mean and what was involved? And is it time your organisation took the step? Susan Fogarty talks you through the Board's journey.

In the last few years FINZ has undergone substantial changes. From an office with one administrator, FINZ now has a CEO, two staff in Wellington and a part time staff member in Napier. Bay of Plenty has become a branch as part of the Auckland division, the website has been updated with a number of new features including a member's area, a rebrand has begun and the move from Management to Governance is almost complete.

It's a challenge for any Board to move from Management to Governance, not only is it a shift in tasks, but a mental shift from controlling the day to day management issues to learning to deal with the higher ideals your organisation is working towards.

Additionally there are not only the complexities of what the new board will do and who will be on it, but what governance model should be followed?

With these issues in mind FINZ approached Talent Finders, a Christchurch based firm specializing in governance training and presented them with questions all organisation would be interested in asking when seeking to make this shift:

How does a governance board function?

- What will our standards for behaviour be and how will we connect with stakeholders in achieving what we're really here for?
- How do we take the broad range of perspectives currently around the table

and match them with the perspectives of the ownership group?

- Who is the ownership group?
- What model should be followed?

Talent Finders aligns with Carver Policy Governance. John Carver developed this model to empower boards of directors to fulfil their obligation of accountability for the organisations they govern. The Carver model enables boards to focus on the larger issues, to delegate with clarity, to control management's job without interfering, to thoroughly evaluate the accomplishment of the organisation and to really lead its organisation.

What appealed to the FINZ Board, was that unlike some other models, Carver's Policy Governance separates issues of organisational purpose (ENDS) from all other organisational issues (MEANS), placing primary importance on those ENDS. This appealed because the FINZ Board, who are all volunteers, meeting only around four times a year, didn't want to become bogged down in management issues, but rather were interested in focusing on what FINZ is really trying to achieve.

How to train – open minds and preparation

Talent Finders philosophy is to make training a whole board activity. This is vital in creating a common language and open discussion around issues such as values, conflict of interest and roles. Board member

Karen Doucas (Mary Potter Hospice) agreed, "it was a must that we trained as a whole Board. I think we would have lost a lot of clarity around the concept of policy governance if we'd done it as individuals." Teaching individual board members skills they don't know can create difficulty when it comes to implementing them back at the board table.

Board members also understood that being able to work effectively on a Board would not be automatic. Just because you've been a manager, or you're a lawyer, doesn't mean there's an instant place for you on the board or that you will understand what's happening better than everyone else. The early prep work by Talent Finders enabled the Board to learn quickly and for all Board members to realize they are in the same boat and therefore need to work as a unit to enable Policy Governance to work.

Preparation was another key reason the FINZ Board training was so successful. Board members were contacted by Talent Finders prior to training so that real issues were discussed rather than a one size fits all approach adopted. This was essential for the FINZ Board, as each member comes from a different background and all had varying agendas of where they see FINZ moving in the future. As volunteers with limited time, the thorough research enabled the face to face time to be used productively.

The workshops

The first workshop covered the concepts of Policy Governance. The interactive style allowed the various board members to discuss real issues for example, relationships with sponsors or conflicts of interest. Trainer Cam Brinsdon's experience in the community sector was particularly useful and enabled Board members to draw on lessons he had learnt from other boards. Shelley Keach (Cholmondeley) agrees, "at first it was difficult to see how it would work particularly around very general ends policies, but once some input was made, it became clearer how it would work effectively."

The Second workshop was largely dedicated to capturing the FINZ Boards collective values in a brief policy manual. Whilst this was an intense day, Board members found it rewarding because at the end FINZ had a tangible and useful output, providing real clarity for the board and management as well as a tool for effective accountability.

Part of the training focussed on painting a picture of the changes FINZ wanted to make for members ie: the ENDS, and by freeing up the board from administrative tasks that sit more appropriately with management, they were able to do this.



Shelley Keach found this particularly useful, "the Carver model means the Board has responsibilities at a governance level, but is liberated from the details of daily operational issues, but yet still have some input on how the CEO operates."

It can be easy for members of any Board to overlook that they meet once a month or a few times a year and then, for only a few hours. It's therefore imperative that they let the manager make the decisions on the 'how' or there's a risk that the organisation will be stymied by well meaning but interfering board members who are only seeing part of the picture, "I think we will be focussed and not go off into detail that we shouldn't be worrying about," says Karen Docus.

The FINZ board is a professional Board with many members having considerable Board experience. New Board member Angela Krenek (Youthtown) has sat on various Boards for. Despite some members having considerable experience on Boards and at management level, all Board members found training to be a valuable learning curve and support of governance development still continues with advice on implementation and review of policy documents.

Board feedback indicates excitement about this new way of leading, but it has required quite a change, and any organisation wanting to follow the Carver or any other governance model should be prepared for not only hard work, but a challenge to the way they think. But as FINZ has discovered during this process, all organisations need to understand how their Board works and if the Board can work in a more effective way.

For more information visit www.fin.org.nz
For more information on Cover Policy Governance go to: www.carvergovernance.com
For more information on Talent Finders go to www.talentfinders.co.nz

The FINZ Board is:

(Photo Opposite)

Karen Doucas

Angela Krenek

Shelley Keach

Brendon Veale

Clive Pedley (Chair)

Dominique Leeming

James Austin (CEO)

Adrian Feasey

Peter Van Humm

Lyn Chapman (absent)

Fundraising is the gentle art of teaching the joy of giving

FINZ CEO James Austin looks at the challenges facing the sector as it moves forward

Historically, New Zealanders have always turned to the state for help whenever anything goes wrong. Since 1936 the country's needs in social welfare, health, housing and education have joined defense, justice and law & order as the prime responsibility of the state and have been paid for by the tax payer.

But the last 30 years have seen major changes in what governments can do efficiently with the tax payers' budget. Contestability, increased productivity and growing the economy have become the prime focus of the government, working in partnership with private companies and a growing not-for-profit sector.

Public/private partnerships have arrived and many major infrastructure projects will be developed by private companies and leased back to the state. Everything from prisons to schools and hospitals can and probably will be included in the mix. If it helps grow the economy and provides greater opportunities for New Zealanders to progress, then all power to them.

But is the not for profit sector ready to take on a similar challenge?

To some extent we are already there. Of the 25,000 charities currently registered with the Charities Commission, their total tax-exempt income is close to \$15 billion. Of that one third or \$5 billion is already received from the state in the form of grants. A recent Government appointed working party looking into the provision of housing, has highlighted the potential for voluntary agencies taking responsibility for building and owning housing in partnership with the government. The growing need for safe accommodation for our ageing population suggests this potential will grow over the next ten years.

It will be the same with health, education, employment and many social service needs where services and shelter are being provided by the not-for-profit sector on contract to the government. And our multi-cultural society will ensure in the short term an even wider range of contractual partnerships until the necessary.

For our sector, this will provide many challenges including greater understanding and practice of governance, accountability and compliance, along with the need for more skilled and competent staff in managing these contracts. It will not be easy and will require considerable up skilling for many charities.

The danger in these partnerships is that 'independence is lost'. The power to criticise and develop alternative approaches is stymied when a charity is dependent on one source, the government, for their funding. Thus the need to still generate sufficient alternative funds to maintain our flexibility and independence remains.

Charities currently receive \$2.6 billion each year in voluntary giving. That is an impressive amount and one that must grow if we are going to maintain our advocacy rights and innovative flair.

FINZ is working hard to give you a wide range of professional development courses to help you achieve the skills to grow your charities income. Our increasing organisational membership will allow us to be more effective lobbyists with government to ensure we can better assist public and private partnerships. And as we progress in our development of the industry standards and greater self regulation, we can better help the charitable sector grow and develop this wonderful country Aotearoa New Zealand.

