



Taking Governance Seriously!

It is not unusual for many board directors to view their board responsibilities as something they only give time to at the monthly board meeting. Unless they are involved in a committee or task group or volunteer to help out with one of the organization's activities, they are not likely to spend much time on their governance role.

I am not surprised that this is the case, especially when I observe how a large number of boards operate and discover how little understanding they have of what governing is and how to do it effectively.

If the board lacks a good understanding of good governance and does not have a culture that fosters its importance to the success of the organization, then it is highly unlikely to attract and retain directors who take the job seriously.

Recently, I conducted a board development workshop in which I informed participants that it was a requirement for directors to be able to read and understand the organization's financial statements. One of the directors responded by telling me that this was an unreasonable expectation and that it would make it difficult to recruit directors. Several others in the room nodded in agreement. I know that this attitude is not atypical, and it scares me.

On this board the legal requirement to be able to read and understand the financial statements was not a requirement for being a director. This is failure to take governing seriously, and to fully understand what is required if the board and its directors are to govern effectively and fulfill their fiduciary obligations.

This needs to change. Otherwise why bother having boards of directors. CEO's can do the job quite well without them.

The change needs to start with the leadership of the board. The Chair needs to help the board in developing a commitment to good governance. The board will need to learn about good governance practices, understand their roles and responsibilities and how to fulfill them, and develop a vision for what good governance should be for their board.

The board can also start to move in this direction by implementing a nominations and recruitment process that seeks to attract individuals who view governing as a serious responsibility and who have had experience as a director on boards that practice good governance.

Good, effective governance does not happen by accident. Someone has to want to make it happen. It requires clarity of vision, an understanding of what it entails, and a commitment from individuals who want to do the right thing!