

Transcript for "How governance culture impacts decision-making" video

LINK TO VIDEO: <https://www.youtube.com/watch?v=L3Nmi9a6hic>

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[video description: *Three people in conversation with each other via zoom. The video displays each person as they speak. Erin is a Korean person wearing glasses and a white short-sleeve shirt with a tiger print, and long hair pulled back. In their background are a colour-coded bookshelf and various plants. Linda is a German person wearing glasses, a blue top with small white polka-dots, and short hair in bob. In her background is a landscape painting. Yami is a Malawian person wearing a black top and purple lipstick, with their mid-length curls out. Their background is a light-filled room with many plants.]*

ERIN: Hi, everyone, this is Erin from Reimagining Governance. My pronouns are they/them, she/her.

LINDA: And Linda, pronouns she/her.

YAMI: Hi everyone, it's Yami calling in from Tkaronto, I use they/them pronouns. I'm super excited to be talking to you folks about Reimagining Governance, and the things that we're not quite necessarily always talking about when it comes to governance work. You know, the parts that are missing, still missing within the conversation.

The first question I kind of had for you folks, when Erin was describing, you know, where you're at in the project, is: what's still missing? What are we still not talking about when it comes to governance, governance within nonprofit organizations, and the sector as a whole?

ERIN: Thanks, Yami. Yes, there's this really big, complex and invisible force, often, that is lurking around that has this huge impact on how governance is done – and that thing is governance culture.

So we often hear about organizational culture, but we don't often have conversations about the culture of governance and governance decision making. So if governance determines who has a voice in making decisions, how those decisions are made, and ultimately who's accountable, then how is this invisible force of culture really influencing that?

LINDA: Yeah, I think the analogy of the fish - a fish is swimming along in the water and bumps into another fish who says, *How's the water today?* And the first fish says, *What's water?* I think culture is exactly like that. It's surrounding the organization, it's ever present but it's hugely impactful and

often remains very invisible until you make it visible. And I think that is the opportunity: to make it visible.

YAMI: And so, can you folks break down what the difference between organizational culture and governance culture is?

LINDA: Yeah, I think organizational culture – and that's something everybody talks about a lot – and so an organizational culture, you often will find the values that surface, surface around *How do we work with the communities we serve? What's our relationship with our staff? How do we deal with ethics?* And so on. When we're talking about governance culture, we mean the values, the mindsets, the ways of behaving, with the board, and with the senior management team and anybody else who is participating in governance decision making. And I think there's an assumption made that the organizational culture just translates over into the governance culture. And interestingly, sometimes it does, but often, people don't dig into it.

ERIN: It really impacts things like, *How do we value feedback? Whose opinions and what kinds of types of knowledge are governance leaders seeking out? What about the degree of risk tolerance or how leadership is gathered?* Those things are really influenced by the mindsets, the values, the deep seated perspectives that people hold, and – with Linda's analogy – don't realize that's there, right?

The challenge with assuming that organizational culture is going to cross over into governance culture without intentionality, that creates a lot of space for misalignment or misunderstandings to happen, or just generally, not being aware of what the culture around decision making actually is.

YAMI: Okay, so I have a question about this because you folks are talking about how governance culture is something that can be invisible, right? And that governance and organizational culture are not always in synergy with one another. Can you explain to me, you know, how, if there was board turnover, how a governance culture may still exist, even though people have, like, left the board? Yeah.

ERIN: Yes, love this question! I'm actually going to pull up, really quickly, this image to help with my explanation. So we kind of started talking about, there's the tip of the iceberg, right? That's the visible aspect of culture. And it's more intended, it's what we want the culture to be or believe it should be. It's visible.

Then there's how that culture is experienced, right? So how things happen in practice, maybe it can be seen or named, but sometimes it can kind of be under the surface, or maybe it's also a little bit murky, and it starts overlapping with those invisible aspects of culture. So those are the mindsets and perspectives and approaches to life that we started to talk about.

And so what happens is, say you have a really solid governance culture, right? And a lot of that is because of the people who are already gathered. So say there's a really strong, healthy relationship between the board and the executive director or the senior leadership of the organization. There's a high level of trust, you know, there's ... and we mentioned different perspectives, it's not bad to have those. It's just that we have to name and work with those, right, as opposed to ignoring the different mindsets.

So if you have this really amazing working culture happening, but then a couple folks leave, or some new folks join, and that care, that intentionality isn't put into naming and holding the existing culture, it becomes really easy for those small shifts in demographic like around the table, the board composition or in leadership to actually derail itself.

You know, one of the really important things here is that no organization is ever going to be perfect, and have perfect culture, and that's not the goal. The goal is to name and and be in intentionality with each other and to actually just have these conversations so that, for example, when there is turnover, your team has the trust and the ability to navigate that together as opposed to floundering when those things happen.

YAMI: I'm also hearing from you to some degree in this exercise in naming culture you actually also have to be radically honest.

LINDA: Yes.

ERIN: Which can be challenging, right? There's organizational dynamics, there's dynamics that exist between individuals, and depending on the experiences that are together in a space, some folks might not feel able to be radically honest.

And so one of the – prerequisites sounds overly academic – but one of the things that needs to happen to do the work of working with culture, even before thinking about strengthening or changing, is getting that degree of trust. And you know, often that's going to come from those who are able to set the tone for that trust in the team. So that might be folks who are in leadership positions who can signal to folks that they can bring in their full selves as much as possible in a workplace and governance setting.

YAMI: You know, coming back to this... this reality that we often see within the sector, is that culture changes when, you know, the individuals change. So I was wondering if you could speak to the diversification of boards and how that can lend itself to culture. Is that the way to go? You know, is that the way to challenge power and privilege and, and create different conditions of culture within the organization? Or is there another avenue that folks should be looking into?

ERIN: It's a really great question we started exploring in our *Digging in with ONN* podcast series, around diversity on boards. And, of course, no one's saying that diverse boards are bad. And it's

interesting because this question touches on culture both organizationally and in the culture of governance broadly in the sector, right? Like, how we look to do the work of governance. And a lot of it is driven by these templates, right, these ideas of what it needs to look like. And so you're going to keep replicating structures that look really similar to each other.

So on one side it's knowing, kind of like, in our heart and body that that's not going to work for every nonprofit. And then, if we look at it through the perspective of your question around, *Is this the way to bring more voice into how decision making is done, to challenge notions of power and privilege?* In order to answer those giant complex questions, we can't only play in the sandbox of the board, right? We can't only look at it as "Okay, well, so then we need to change who's around the board table, and that's going to affect how our decision making is done."

YAMI: Yeah.

ERIN: There's so many ways that that can go haywire. One, the folks who are brought in who represent, you know, different voices are actually not brought into the governance culture of the existing group and therefore are further marginalized or are tokenized because they're there, but they're not actually authentically participating in governance work in the ways that we might want them to.

So if we shift that towards, *How can we diversify who's engaged in governance work?* Not tied to the structure of the board – then that's where it starts to really open up, okay, *What other structures can exist? How can we tap into these incredible brain trusts that exist, these collective wisdom? Not through one static structure, but through different ways of engagement? How can we change how we think about what engagement needs to look like?* And those are all aspects of how governance culture actually manifest, so...

LINDA: But it is interesting, you know Erin you were talking, and I think... we know when we get to that below the surface stuff, we're looking at assumptions. And you just were mentioning, I think, a key assumption which is the board must be at the center, and that assumption and that mindset – and frankly that comes from years of boards understanding that they are, they have potential liability and a real concern about what their responsibilities are.

So if you can uncover and unpack things like those assumptions, which are learned, then I think you begin to be able to come at the question, as Erin said, in a different way. You come at the question, not how – not *just* how can we diversify the board, but how do we get diversity of perspectives reflected in our governance decision-making.

YAMI: So now let's move into the Learning Labs! So, I know that you folks have learned a lot about governance culture within the nonprofit sector and beyond. And so I want all of the tea! What did you learn?

(laughter)

ERIN: Definitely lots of learning. I think one of the biggest ones is that organizations and teams aren't talking about governance culture, right? And it's one of those things where, when you hear it, you're like, "Oh, yeah, that's a thing. It probably exists." It doesn't feel, you know, otherworldly.

But then when you start really digging into "Well okay, if you know it exists, what is it? You know, how does it feel? How does it come out? How is it experienced?" That's where it starts getting a little bit murky, and folks are like, "Oh, maybe we do need to talk more about this."

Asking questions around, *How are these things experienced? What are the things that drive these decisions?* there's nothing that can be done without taking that first step of just coming together with intentionality and care and naming it together.

LINDA: Well it is interesting because one of the things – we found this quite often in many of the organizations – there was great uniformity in terms of the mindsets, shared values, we even heard people talking about "I came on the board, because I liked the governance values." And so there was a real sense of saying, "Isn't this fantastic" – because it's going to make decision making a lot easier. It's going to reduce the amount of conflict and debate.

On the other hand, then when we pushed and probed a bit we said, "Well, let's think through what are the implications as you try to hear more voices from the community and you want them to impact your government's decision making? Is there any risk that those different perspectives are going to come slamming up against what is a very uniform, consistent set of values and mindsets? And will you be listening to everything through that single lens?"

ERIN: And I think an important aspect of that is that step of coming together and looking at it together and allowing those insights to come up. Because it's not necessarily, "Okay well, now the next step is to 'solve' this" and addressing everything from a 'there must be a strong solution to everything' ...but rather "Oh now that we know this, how can we design our systems to bring in more perspectives?" or "How, what does this tell us about how we want to navigate the fact that we are in great alignment? How can we challenge ourselves and hold ourselves accountable given this fact?"

YAMI: I wanted to ask, when should people be having these conversations? Is it at strategic, you know, visioning time? Is it just something that should be consistently on the board agenda? We know that board agendas are generally tight and these conversations require space and time so I'm curious, you know, when is the optimal time? If there is.

LINDA: I think it's both those things in the sense that because a lot of organizations haven't explored, specifically their governance culture. That's a one time, really dig in, really think about it – might take some more time. But as Erin said, culture changes and you can't name it and freeze

it. So it becomes an ongoing piece, perhaps a reflection at board meetings saying "These were the values that we articulated specific to governance and, and how we want to see them play out in practice. How are we doing at our board meetings against those?" So it gives you this opportunity.

I also think as some circumstances might change that are significant – a real turnover in the board, a real shift in priorities – might be another time to re-enter the conversation and reflect on it.

ERIN: But I think the fact that culture is often, ends up being this kind of collection of habits and norms that just become normalized and become part of the culture – and this is so important specifically for nonprofits with how diverse they are, you know, there's some nonprofits that have been around for 100 plus years! And so their culture is deeply, it might be deeply ingrained, it might be unquestioned, it might be much harder to shift.

And then there's organizations that might – and I come from sort of a grassroots youth background – where organizations are forming and becoming nonprofits in order to access funding or access other opportunities. But it started off with, you know, folks who do work together and maybe there's friendships, maybe there's existing relationships, that's all going to manifest in the culture as well.

And so Linda's right like, I think, for me, I really resonate with seasonal check ins or when there's a big shift. I feel like there's a way to really dive in and do this intensively over a couple of years and then there's a way to just enfold light intentional questions each time you gather. So it can be done in many ways.

YAMI: It seems like intentionality is a really important aspect to this. So an organization striving to be intentional about this work, what can they do and how do people get started?

LINDA: We'll be launching the *Reimagining Governance Lab* later in the summer, ta-da! And one of the tools that will be in it will be "Creating an intentional governance culture", not sure it will have that name. And we're really excited about that because this kind of a tool doesn't exist. Yes, there's stuff about looking at organizational – tons on organizational culture. There is some about board dynamics and so on, but not something that looks at those three layers of the iceberg that we've talked about. So we're really excited!

YAMI: I'm excited, so excited for you.

LINDA: (laughs) Yeah. I think it'll be very new for people and we're excited to see just how people react to it, respond to it. And we'll learn from that and make it even better.

YAMI: Oh my gosh! This conversation has been so much fun with the both of you, and I have learned so much around culture, around emergence of this work, around commitment of this

work, and around play and getting our hands clean, dirty, however you want to phrase it, and doing the work and seeing what can emerge. So I just want to take time to thank you so much for chatting with me, and for sharing your wisdom with the sector. And so you said that folks will be able to access the toolkit in summer. We're.. I'm assuming we're not giving any final dates right now? But just to be on the lookout for it, yeah?

(laughter)

ERIN: Yeah. Anyone who has created a website, maybe you will sympathize with us. But yes, for now we're saying summer, and folks can stay updated via our newsletter and social channels.

YAMI: Love it.

ERIN: Yeah, thank you so much Yami!

LINDA: Thank you Yami!

YAMI: Alright, have a good rest of your day folks!

LINDA: Thanks.

YAMI: Bye.