

Association Governance: A Study in Paradoxes

**by Ruth R. Armstrong, MBA
(Association Vol. 15 No. 4, June-July 1998)**

The "policy governance model" has found fertile ground among many nonprofit organizations throughout Canada. Introduced by John Carver in 1990, the model has separated and clarified the roles and responsibilities of the board and the chief executive officer. Association boards have been experimenting with this policy governance model with mixed results. Even so, the "one size fits all" world view of models continues to be promoted by the purists.* In their 1996 Survey of Boards of Canadian Not-for-Profit Organizations, Professors Vic Murray of the University of Victoria and Jeff Brudney of the University of Georgia found that: "...model users' in general were significantly more satisfied with the outcomes of their change process than non-users. However Carver users were no more satisfied with their board changes than the users of any other model or combination of models. In fact no one model or combination of models of any kind proved to be any more effective in the eyes of their users than any other one." The conclusion: using a model of governance is useful; however, the type of model should fit the organization's characteristics.

** Associations are unique organizational forms with inherent paradoxes. The experiences of a number of constituency and membership based organizations suggest a variety of governance responses in addressing these paradoxes.*

Paradox: owners and customers

The members of a golf club who were generally older and retired were against making a capital investment to improve their club facilities for families. A capital investment would translate into higher membership fees. The board on the other hand knew that as current membership numbers dwindled, the club would need to attract and retain an incoming group of club members who had young families.

Members of an association are both the owners of the association and its customers. As owners they govern the organization through the board and participate directly in policy development and planning. As customers, members are most concerned with quality and value of services. This "double-vision" often creates conflict between the board's long term perspective and a member's immediate concerns.

Paradox: centralized decision-making and decentralized input

A national health association with a provincial and local branch structure has lost its ability to make decisions quickly in response to a fast paced environment. The board has a cumbersome consultation process to ensure fairness and equity in decision-making. All levels of the organization have opportunities to review and modify any policies and major decisions. Unfortunately, this decision-making process takes at least two months to be completed.

The board and its chief executive officer (CEO) undertake responsibilities on behalf of the membership. It is a wise board who is in touch with, and responsive to, its members as it makes policy decisions. Theoretically, this makes sense; practically, an association with different constituents struggles to convert diversity into collective vision and quick action.

Paradox: self-interest and collective interest

An association is lobbying government to centralize the allocation of contracts and resources within the association to its members. It finds itself at odds with its larger member organizations who have been relating to government without the association's help. These larger organizations stand to lose their autonomy, power and ability to negotiate directly with the government. Smaller organizations, however, need the strength of the association to improve their situation.

Most members join associations for two major reasons: to satisfy their own needs through member services and to exert more power by pooling collective resources and skills. Many association boards are weakened by the tension inherent in this paradox. If board directors see their primary role as representing their constituency's interests, they may have difficulty in setting aside specific constituent needs and voting for the association's collective interests. Board directors represent constituents and bring constituents' perspectives to the board table so that a collective decision can be informed, rather than driven, by constituent self-interest; however, this approach is often lost.

Paradox: service and advocacy

An association is caught in an all too common tension. The board is pushing for increased advocacy activities. The CEO is insisting that any decrease in member services will have an adverse effect on the membership, membership fees and therefore the association's financial viability. Articulating this tension as "either advocacy or service" is not helpful or accurate. The conflict, however, is taking its toll.

Most associations have a dual reason for existing. Firstly, they deliver tangible services such as benefit plans, education, consultation and information. Secondly, they capture the strength of a broad-based constituency with large numbers of participating members and use it to influence the industry's environment. The tension arises when allocating limited resources and energies to each direction. Members as customers continue to want quality

services. Members as owners recognize that the future is about preparing an environment that is supportive of the industry. Resources spent on changing legislation, lobbying government, increasing the industry's profile can be never-ending without recognizing a direct link to outcomes. Evaluating the return on the association's investment is much more tenuous for advocacy activities than for service activities.

Governance Responses

Associations continue to address these paradoxes and challenges in a variety of ways. Five responses have become successful strategies for several associations recently interviewed.

1. Clarity

Associations with written policies describing the different roles of board, members and staff have reduced confusion in the areas of power and accountability. There is not one "correct" description. An effective process of clearly differentiating roles starts with role negotiating and articulating the roles and is followed by written policies. Policies outlining board recruitment, nominations and elections are particularly sensitive areas requiring clarification.

2. Communication

Communication represents a critical lifeline in the health of an association. The increasing demands and expectations of members to receive timely, complete and accurate information become a tremendous challenge. Association boards and staff who are attentive to improving communication among board, staff and constituents/members have benefited by creating a connected membership.

3. Commitment and Connection

Ownership and involvement of board and members can be encouraged in a variety of ways. Active committees, project work, strategic planning and effective communication keep large numbers of members connected to the association. Members generally do not feel committed or connected unless they are actually contributing something more than simply membership fees.

4. Conflict Resolution

Resolving conflict among competing interests must be a targeted and active issue. Structured conflict resolution techniques and discussions go a long way in facilitating satisfying outcomes. Developing important conflict resolution skills among board directors assist in addressing association tensions. The resolution process adopted by the association can be communicated to all members in developing a common approach to conflict.

5. Contracts and Agreements

Because of the pluralistic nature of associations and the diversity of interests, some boards have found it useful to sign letters of agreement between the board and its

constituency representatives. The contracts clarify conflict of interest, financial contributions, accountability and information exchange. Agreements often describe: how the board director will be accountable to the association and his or her constituents, how he or she will keep members apprised of important information, the nature or amount of contributions the director or the constituency will make, how conflicts will be resolved, and the commitment to the mission/direction of the association. As board directors changed, an association's vision can become diffused because of multiple interests carried by a changing broad based membership. Contracts serve to stabilize the organization's vision and processes as it moves forward.

Critical factors for success in associations include a combination of self-analysis and creative response. Associations need to understand their unique characteristics, paradoxes and tensions. Only then can they design a governance model to address their realities. Innovative organizational forms and governance models are evolving as governance continues to be a focus in organizational and management theory.

© 1998 Ruth R. Armstrong, VISION Management Services www.vision-management.ca
All Rights Reserved.