Community Engagement Governance™:
A New System-Wide Governance Model for Community Impact: A Participatory Action Research Study

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Abstract:

It has become increasingly clear within the sector that traditional governance models are inadequate to effectively respond to the challenges faced by many nonprofits and their communities. Traditional governance models utilized by most nonprofits prevent them from being effective and diminish their connection and accountability to those they serve. The nonprofit sector, above all, should be the place that fosters and advances democracy and self-determination, and this must go deeper than just advocating for its value outside our organizations. If nonprofit organizations are to be truly accountable to their communities and constituencies, democracy must be at their core. In fact, by and large, the nonprofit sector has tended to replicate structures and processes that do not foster democracy within organizations.

Rather, traditional governance models, based on outdated top-down “command and control” paradigms, still dominate. Such hierarchical structures not only run counter to democratic values and ideals, they often impede an organization’s efforts to achieve its goals and ultimately fulfill its mission. If those who are directly affected by an organization’s actions are not included in key decision-making processes, the nonprofit risks arriving at conclusions or decisions that are incongruent with both its constituents’ needs, and its own mission.

Traditionally, because of legal exigencies and a lack of alternative governance models, the literature and research about governance has centered on the board of directors. Legally, beyond the usual duties of care and loyalty, little is mandated about decision-making participation or even about the composition of nonprofit boards. Thus, a nonprofit has significant freedom in deciding how governance will be carried out, and who can share in the decision-making process. Despite this freedom and the potential it brings, a lack of board effectiveness persists as perhaps the top organizational challenge for most nonprofit organizations.

Community Engagement Governance: A New Framework

In response to the urgent need for new governance models, a team of consultants, researchers, and other capacity-builders have been working together to design and pilot an alternative approach for nonprofits. Community Engagement Governance™ is a new framework in which
governance responsibility is shared across the organizational system, distributing the work of governance among the key stakeholders of an organization: its constituents and community, staff and board. The Community Engagement Governance Framework is based upon the established principles of participatory democracy, self-determination, genuine partnership, and on community-level decision-making. The Framework goes beyond the Board of Directors as the sole locus of governance, and helps organizations to become more responsive to their constituent and community needs, and more adaptive to the changing environment. Because no one governance model fits all organizations, and because many variables such as mission, constituency, organizational development stage, etc. (Bradshaw, 2009), will influence what design will be most effective, this Framework is meant to be customized for each organization.

Key Principles of Community Engagement Governance

Community impact at the center.
In contrast to traditional governance models in which the primary focus is the effectiveness of the organization, this Framework situates the “desired community impact” at its core. This reprioritizes results over institutions, and makes desired impact -- overwhelmingly – the most important focus of nonprofit governance.

Governance is a function, rather than a structure; it does not need to be located solely within the confines of the board. This notion that governance is a function, rather than a structure, was developed at a gathering of governance thought leaders, practitioners, and researchers at the Alliance for Nonprofit Management conference in 2006. The group defined governance as “the provision of guidance and direction to a nonprofit organization so that it fulfills its vision and reflects its core values, while maintaining accountability and fulfilling its responsibilities to the community, its constituents, and government with which it functions.” David Renz further developed the premise of governance as a function, rather than a structure in his Nonprofit Quarterly articles, “Reframing Governance” (Renz, 2010 & 2006).

Governance that is shared among key stakeholders, rather than confined within hierarchal command-and-control structures will result in higher-quality and better-informed governance decision-making. Stakeholder theory is based on the view that a variety of internal and external stakeholders hold either a moral and/or pragmatic claim to the organization (Donaldson and Preston, 1995). Freeman describes stakeholders as “any group or individual who can affect or is affected by the achievements of the organization’s objectives.” (Freeman, 1984). William Brown discussed the notion of an inclusive board as one that “seeks information from multiple sources, demonstrates an awareness of the community and constituents that benefit and contribute to the services of the organization, and establishes policies and structures to foster stakeholder contributions” (Brown, 2002). Brown describes several profiles of “inclusive boards,” most of which incorporate input from stakeholders including staff; service-recipient presentations to the board about community issues; the provision of other information to the board about the community; and/or the inclusion of several constituents on the board.

A premise of the Community Engagement Governance framework is that an inclusive board (i.e., one that includes stakeholders) that is aware of the community and constituents is important but clearly not enough; active involvement of stakeholders in shared governance, especially those that have “lived experience” will lead to decisions that are more in line with constituent needs, and with the organization’s mission.
Re-distribution of power, authority, and mutual accountability makes nonprofits more resilient and responsive. Shared governance creates a dynamic community presence. Governance is about decision-making; that is, power, control, authority, and influence. In the Community Engagement Governance model, power is redistributed and shared, creating joint ownership, empowerment, and accountability, so that those who are closest to the organization’s work — the organization’s constituents, community members, and staff — actively partner with the board in making key decisions.

Democracy and self-determination, rather than dependency and disempowerment. The nonprofit sector, above all, should foster and advance democracy and self-determination, and this must reach more deeply than just advocating for such democratic values outside of its organizations. Most nonprofit governance models however, even those that are constituent-based or “representational”, have tended to replicate outdated, top-down, hierarchal structures and processes that foster the antithesis of democracy from within. Such hierarchical structures not only run counter to democratic values and ideals, they often impede an organization’s ability to achieve its own mission. If the voices of those who are directly impacted by a nonprofit’s actions are not included in its key decision-making processes, the nonprofit too often arrives at wrong conclusions, or makes decisions that are incongruent with its constituents’ needs and its organizational mission.

An underlying, contingency approach. Although the Community Engagement Governance framework utilizes common principles, the specific governance structures and processes employed by each nonprofit should differ according to its organizational and community needs, size, mission, and stage of development (among other variables). As described by Patricia Bradshaw, contingency theory advocates that there is no one ideal way to organize (Bradshaw, 2010). Francie Ostower and Melissa Stone also cite the importance of a contingency-based framework in their use of findings from the Urban Institute’s National Survey of Nonprofit Governance (Ostrower & Stone, 2010). Although current research in the governance field supports the application of contingency theory to nonprofit governance, the predominant literature intended for consultants and nonprofits still promotes the premise that there is one right model for governance (Carver, 2006).

Transparency, ongoing communication, and good informational flow between stakeholder groups are critical for engaging stakeholders in shared governance. Perhaps the most significant change currently occurring in the nonprofit sector is the spread of social media, which is already affecting governance practices and levels of organizational transparency. Beth Kantor and Allison Fine address “fortress organizations” as those that “sit behind high walls and drawn shades, holding the outside world at bay to keep secrets in and invaders out. Self-protection is normative behavior inside the fortress” (Kantor & Fine, 2010). Unfortunately, this description can be applied to many nonprofit boards as well; those that follow traditional, insular governance models, carrying out their work from within the confines of the boardroom. The use of social media and web portals can provide excellent opportunities not only to create more transparency among key community stakeholders, but also to engage those groups in the organization’s decision-making process.

Action Research Methodology
Nine diverse organizations have been piloting the Community Engagement Governance framework and adapting it to their specific characteristics. The organizations have a wide range of missions, annual budget sizes, developmental stages, constituencies and types of communities served, adaptive capacities, and staffing sizes. They include national, state-wide and community-based organizations, coalitions, and networks. Their missions include immigrant rights and services, homelessness
prevention, affordable housing advocacy and services, national policy education, health-care access, obesity prevention, youth development, community organizing, and leadership development. One pilot is a network/partnership of over 100 nonprofit organizations and state agencies. The consulting and research team has been using action research methodology, a systematic cyclical method of “planning, taking action, observing, evaluation, and critical reflecting prior to continued planning” (O’Brien, 1998). Each pilot organization has been or is currently working with a lead consultant from the Community Engagement Governance team. Together, they are documenting the process, learnings, and findings from different points in their respective governance change processes. Each pilot organization is currently at a different stage in the process; data collection points include the engagement, design, implementation, and continuous improvement phases. At this time, a majority of the organizations are currently in the design or implementation phases, although the first pilot organization, which began to experiment with the Framework five years ago, continues to enhance its model, and is currently in the continuous improvement phase.

Members of the Community Engagement Governance Team have also served as “shadow consultants” to the lead consultants, assisting them in customizing the Framework to meet the needs of each pilot organization, and discussing findings and implications for the project’s action research questions.

In addition to the documentation of findings, the team is currently collecting qualitative data through a series of semi-structured interviews and surveys with a cross-section of primary and secondary stakeholders in the pilot organizations. The interviews and surveys are being conducted at various stages in the change process, beginning with a baseline assessment and followed by interviews after the completion of their governance design, and one year later. Over the past few months, the project team has received significant interest from additional nonprofits, network, and coalitions who wish to participate in the Community Engagement Governance Project, so additional pilot organizations will be added.

**Key Action Research Questions**

Although the action research data is currently being collected, a preliminary qualitative data analysis was recently conducted and has revealed some preliminary findings that were presented at the 2010 ARNOVA conference. We expect that by the time of the April conference we will have more substantive findings. The key research questions are as follows:

1. How does the transformation to the Community Engagement Governance model affect an organization’s ability to be more accountable and responsive to the community it serves?
2. How does adapting the Framework affect the quality and efficiency of decision-making by an organization?
3. What is the range of structures and decision-making methodologies for effective system-wide governance?
4. Are there governance decisions that must be made at the board level and nowhere else, or does this depend upon an organization’s unique circumstances?
5. What are the most effective coordinating bodies for determining the locus for decisions; which decisions should be shared, and how?
6. What changes have occurred for the boards as a result of adopting a new governance design?
7. What core competencies are prerequisites for success in using this Framework?
8. For what types of nonprofits does this governance Framework work best? Does it work for all types of nonprofits?
9. What does it take to sustain this form of governance for long-term cultural change?
10. What other findings have emerged?
The following describes a few of the preliminary findings:

- All of the pilot organizations that have implemented a significant portion of the new governance model reported that through the process of involving their stakeholders in governance decisions, they have been able to respond more quickly to changes in their environment, and to be more proactive, adaptive, and responsive to community needs.
- The pilot organizations that have implemented the model stated that the quality of their governance decision-making has improved as a result of shared governance. They cite increased creativity along with more innovative ideas, resulting from the involvement of key stakeholders in their decision-making. Others cite their ability to be more strategic in discussions, and report that with increased community involvement, their ability to solve complex problems is enhanced.
- The pilot organizations reported that they were able to make more efficient decisions by using a shared governance structure. They state that by including key stakeholders in the decision-making process, the information, knowledge, skills, experience, and connection to the mission are “in the room and more accessible to the decision-making process,” thereby allowing them to make good decisions more quickly.
- Pilot organizations also reported an increase in new, more distributed and diversified leadership, especially from their constituency.