ANY IN THE NONPROFIT WORLD HAVE expressed concern that the sector is not developing any new or different forms of governance. We’re not, they complain, seeing anything that is more than a minor variation on our current designs and practices. I have shared this perspective for some time, as well. But recently I began to realize that this is not actually true. We have been creating the “new nonprofit governance” at a new level within our communities, and we have not perceived this shift because we’ve been so focused on the artifact that we know as “the board.”

It used to be that boards and governance were substantially the same—the two concepts overlapped. But with time and a radically changing environment (e.g., changes in complexity, pace, scale, and nature of community problems and needs), the domain of “governance” has been moving beyond the domain of “the board.” Though never stated in this way, governance and boards have greatly diverged in many of the settings where we address our most complex and demanding community needs. The functions of governance are served less and less well by

David O. Renz, Ph.D., is Beth K. Smith/Missouri Chair of Nonprofit Leadership and Director of the Midwest Center for Nonprofit Leadership, at the L.P. Cookingham Institute of Public Affairs, Henry W. Bloch School of Business and Public Administration, University of Missouri–Kansas City.
boards of individual organizations within these complex environments. Governance truly is leadership in these environs. And in this new generation of governance, which has been most actively evolving in those segments of the nonprofit sector where agencies strive to address these complex challenges, nonprofit organization boards are merely one element and no longer the primary “home” of the governance processes by which we address many of our most critical community issues.

The scale of these complex problems has outgrown the capacity of our existing free-standing organizations to respond—sometimes in terms of size but especially, and more important, in terms of complexity and dynamism. Therefore, we’ve organized or developed our response at yet another level—the interorganizational alliance. In the new mode, the organization may well be the unit from which services are delivered, but such service delivery is designed, organized, resourced, and coordinated (in other words, governed) by the overarching network of relationships (among organizational leaders) that crosses and links all of the participating organizations and entities. Similar dynamics are emerging in some parts of the nonprofit policy and advocacy domain, where different organizations’ actions are orchestrated by a coordinative governance process that operates largely beyond the scope of any particular board, even as it deploys lobbying resources from various individual organizations.

Governance is a function, and a board is a structure—and, as it turns out, a decreasingly central structure in the issue of new or alternative forms of governance. In many key areas, these processes have moved above and beyond any one nonprofit organization. Individual organizations don’t get to join or stay in the game if they do not work as an integral part of this larger whole.

Why don’t we see these, even when we’re looking directly at them? Because we’re still prisoners of the hierarchical, control-oriented paradigm of conventional organizing—we keep looking for the central leader (whether person or unit). The new governance does not look like anything we’re expecting to see (even though we talk about these issues quite a lot). For example:

- No one person or entity is always in charge (though some certainly have more influence than others) and, in fact, there often develops a kind of resistance to allowing any one entity to regularly assume the role of being in charge.
- The structure continually evolves and changes (though its general characteristics remain consistent).
- We have been “trained” to focus our attention on boards rather than governance.

Governance really is not about organization—it’s a function that is essential to addressing a particular issue or need in our community. But for so long, it has been the individual organization that has been the appropriate unit to address our problems that we have been assuming it always would be. For the most critical and substantive of our community issues and problems, the single organization is no longer an appropriate match to the scale of these issues and problems. We’ve found it increasingly essential to develop alliances and coalitions—extraorganizational entities—to address the multi-faceted complexity of these critical needs and issues. And the most successful of the systems we’ve grown to govern these alliances reflect the same scale and kinds of complexity as the alliances themselves.

These systems of leadership mirror the design of social movements, with the fluidity and responsiveness that characterize the most effective of these movements. Similar to such movements, as anthropologist Luther Gerlach has described them, we find that these emerging systems of governance are:

- Segmentary: they are comprised of multiple groups and organizations, each of which is only one segment of the overall whole that is working to address the issue at hand;
Polycentric: they have multiple centers of activity and influence that help to advance progress in addressing the cause of the whole, yet each is doing its own thing;

• Networked: the multiple centers of activity are linked via a web of strategic relationships, and an important source of the organizational power of this web comes from the nonformal relationships that exist among the various people playing leadership roles in the various centers of activity; and

• Integrated by a core but evolving ideology that crosses organizational (and even sectoral) boundaries as those who work to address the full range and complexity of an issue go wherever is necessary to engage in their work. In fact, it is not unusual to find that some of the integration is achieved by people who hold a formal position in one organization (e.g., a staff position in a government agency) while also serving in leadership roles in other organizations (e.g., a board member in a nonprofit agency and/or a leader in a relevant professional association)—wherein all of the organizations play certain roles in addressing the particular issue or problem and no one entity has the authority to actually be “in charge” (for example, people working for AIDS prevention units or health agencies while also active in advocacy organizations working on HIV/AIDS).

It is at the meta-organization level that the generative leadership and strategy are handled; the frontline action or delivery of services (i.e., operations) is handled by the individual organizations (cells of operation) consistent with and in furtherance of the accomplishment of the interorganizational entity’s mission, vision, long-term goals, and strategies (all of the key functions, you’ll note, that are the domain of governance). For these areas of community action, it is no longer about the “networked organization,” it is about the “network as organization.”

Does this mean that boards of individual agencies are no longer relevant? No, not any more than any one program in a multi-service human services agency is automatically irrelevant because it is part of the larger whole. The board is necessary, and there is a critical kind of value offered at the level of the agency board. But it’s not the only level of leadership and governance that exists, nor is it the overarching and highly autonomous kind of entity that historically has had the luxury of assuming it is in charge. It’s just not the only level anymore.

At their best, such governance systems demonstrate the ideal characteristics of an effective governance entity. They demonstrate resilience, responsiveness, fluidity, and an organic connectedness to the community and its changing needs. They exhibit processes of mutual influence and decision making, more fluid but no less real than that to be found in conventional hierarchical organizations.

What are the elements or technologies that are changing with the emergence of this new governance?

• Governance needs to be understood from the perspective of the elements that have been articulated in the theory and research on interorganizational relations and, especially, the recent work to examine and explain the behavior and dynamics of networks—and organizations as integral but not autonomous units within the networks.

• What once was understood as the work of boundary spanning has become very different as it approaches boundary blurring (it’s increasingly hard to tell where one organization’s work ends and another’s begins).

• Individual organizations are fundamental cells of activity and accomplishment, but their behavior and results (in and of themselves) are not adequate to explain what is being done and how at the community problem level.

• Fueling and enabling the emergence of this new mode of governance is the growth in so-called strategic alliances—and the growth in the
One of the challenges of this emerging form of governance is that it moves the locus of control beyond any one organization. For better or worse, no single entity is in charge, and any agency that thinks it can call the shots is going to find that its power over others is muted. Interestingly, this includes governmental entities that may think (and still keep trying to act like) they are in charge. The fact that an agency has a legal or statutory mandate to address a given problem does not give it any real control over the kinds of messy problems for which these governance systems are emerging. For example, no urban redevelopment agency has ever had the capacity to resolve its urban community’s problems without bringing other entities into the game and, increasingly, these other entities have demanded a substantive role in the decision-making process. Part of the power of this new governance is that it is better able to accommodate and engage this shared power dynamic.

We do see some individual organization boards that are beginning to look a little more like this, but the reality is that these are boards of organizations that exist at the network level, such as membership organizations comprised of all the service providers in a given domain of service (e.g., the coalition of all emergency services providers in a given metro region). These entities have been created for the very purpose of bridging and crossing boundaries, and their boards often have the explicit charge of providing leadership across agency and sector boundaries with the mission to address specific community issues. Most nonprofit boards don’t look like this because they have not perceived the need. But even individual agency boards now need to rethink, as a result of this new mode of governance, how they should be designed for this new era, and consider how they will do their work as a part of (rather than trying to actually be) the new governance design.

Where might you find this new level of governance? When you look for it, using this new perspective, you’ll actually find it in operation in many domains of nonprofit work. For example, in many metro regions we find a network of organizations that are allied to address the changing challenges of HIV/AIDS. These organizations have their own boards, but they also have a regional planning and funding structure that overarches them. This overarching struc-
ture sets priorities and coordinates the work of the individual agencies, including providing the venue for and organizing the processes for making region-wide decisions about fundraising, marketing, and programming. In these cases, it is not unusual to find that each of the key participating agencies’ boards sends representatives to sit on the overarching entity’s board (often these representatives are a mix of their board members and chief executives). But the overarching entity’s board is not comprised solely of people from the operating agencies—it also will include members from the community at large (e.g., local issue activists) who have equal standing with the agency representatives.

We see similar dynamics in many other areas of political and programmatic action—in urban redevelopment, in neighborhood revitalization, in provision of emergency services. In all these areas, we can find overarching governance systems that make strategic, community-level decisions that are the broad basis for the individual agencies to then develop and implement their own plans and operations.

This new mode of governance has some significant implications for the next generation of nonprofit board work. For example, it will require different kinds of knowledge, skills, and abilities. This is the work of leadership, not management. So it will be essential for its participants to be proficient in a different kind of leadership, especially skilled in the capacity to network, build multi-faceted relationships across boundaries and among diverse groups of people, and effectively exercise influence in the absence of authority. (John Gardner, in his outstanding book, On Leadership, aptly described this as “exercising nonjurisdictional power.”) The very ability to perceive this new level of operation is unique, requiring a multi-level systems perspective and a different kind of “mental model” from that to which the typical board member is accustomed.

The new governance poses unique challenges for accountability, as well. As difficult as it can be to hold a typical nonprofit board accountable for its organization’s performance and impact, it is more difficult to implement systems of accountability at this new level. And it is especially challenging to hold these systems accountable from the outside—to create externally enforced Sarbanes-Oxley types of account-

ability for the systems being led and governed at this new level. The more diffuse and fluid nature of these designs makes them inherently hard to control (which is why influence is such an important ability). In reality, the locus of accountability for this new level of governance must exist “above” the individual nonprofit—at the community level instead of the organizational level—yet many philanthropic and governmental funders and regulators are likely to try to hold individual nonprofit agencies accountable for such community-level performance and impacts. They will continue to focus on individual agencies because they will have a difficult time determining how to establish systems of accountability at the new level. And they often will be frustrated in their attempts to do so, because there is too little control to be exercised at the individual agency level. This challenge becomes especially interesting in light of the current federal and state legislative discussions on nonprofit accountability and regulation, all of which treat the nonprofit organization as the primary unit of control!

This truly is a very interesting time in the development of nonprofit governance and our understanding of the work of nonprofit boards. We bemoan the absence of anything innovative or cutting edge, yet we already are growing a new generation of nonprofit governance—a generation that is more effectively aligned with and responsive to the needs of the organizations that are coming together to address the most dynamic and complex needs and challenges confronting our communities.

Indeed, this new generation of governance inherently is about a changing mode of community leadership as we (as a society) move from hierarchy to networks as the prevailing mode of organizing to meet the demands of a new time. As we keep musing, “Do we need boards?” and “Isn’t there a better way?” we’re actually missing the emergence of the next generation of nonprofit and public service governance.

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