GOVERNANCE CULTURE
in a Nonprofit Organization

What is governance culture?

Governance culture is the culmination of:

Values - the important core beliefs that shape and influence governance. They can be intentionally declared or just assumed by the organization, such as a belief in equity, integrity, innovation, and accountability.

Mindsets - attitudes and ways of thinking which are held collectively and individually by those who participate in governance. They are informed by personal values, beliefs, assumptions, feelings, and philosophical perspectives, which in turn are shaped by factors such as life experiences and dominant societal ideologies. For example, views on justice, assumptions about how governance must be done, personal comfort levels with risk, and perceptions about what equity means.

Ways of interacting - how those who participate in governance act together and toward others. They are linked to values and mindsets and can be intentionally set as well as based on personalities or habits and norms that form over the years, without deep attention to them.

Check out the *Create an intentional governance culture* tool in the Reimagining Governance Lab to dig into your organization's governance culture.

How governance culture manifests

The values, mindsets, and ways of interacting can manifest in different ways, and are also highly interconnected. **Intended** culture rests visibly at the top, while **experienced** culture can be both visible above the water line, and in the murky water just beneath the surface. **Mindsets** mostly sit beneath the waterline, sometimes very deep, and yet have a profound effect on governance.

External forces also shape governance culture, such as policy changes, demographic shifts and significant events

INTENDED

What the organization says its culture should be. ***They are clearly stated and documented.***

EXPERIENCED

How governance culture happens in practice. ***It's observable, such as in governance processes, structures, and actions. It can be formal (e.g., through policies) or informal (e.g., habits and norms).***

MINDSETS

What influences and shapes the intended and experienced culture. ***It's the attitudes and ways of thinking held collectively and individually by those who participate in governance.***

VISIBLE

MURKY

INVISIBLE
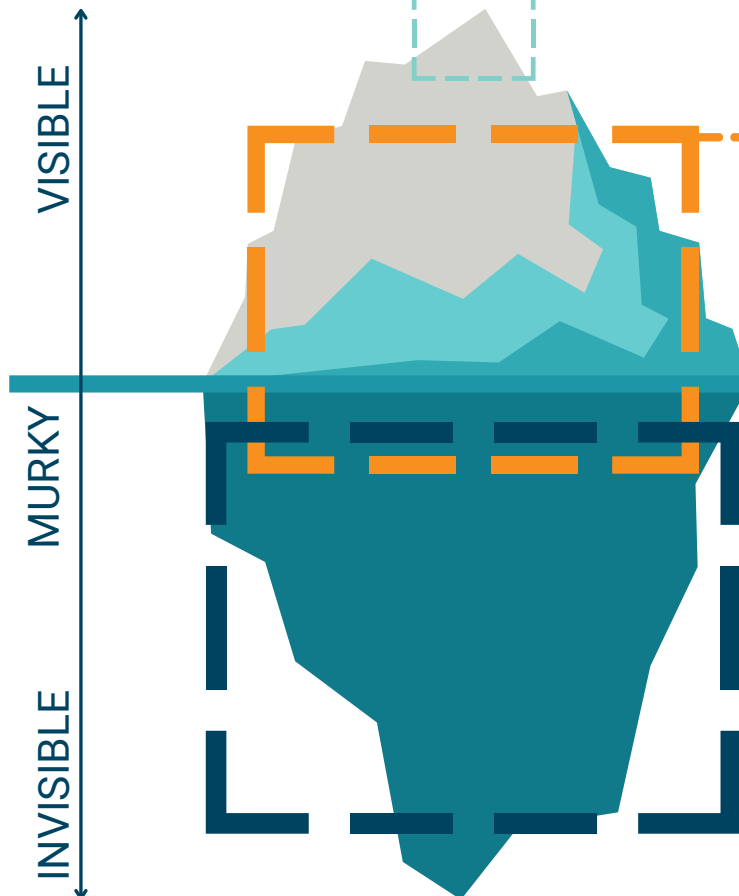
How governance culture translates into practice

The governance culture of an organization is deep and far-reaching. It can determine who has a voice in decision-making and whether it's inclusive and collaborative, or narrow and hierarchical. It underpins the partnership between the board and staff, and impacts what policies are put in place.

For example, if governance leaders have a high-risk tolerance, then strategic and accountability processes may promote more innovation. If governance leaders are more risk-averse, then there may be over-focus on revenue and sustainability. Individual beliefs, worldviews, and personal experiences can also influence who is recruited to do the work of governance, which in turn shapes things like what gets evaluated and how organizational priorities are determined, and success defined.

How governance decisions are made

Who participates in governance and how

Strategic choices about direction, priorities, and programs

How people behave with each other and work together

Ways governance culture can be experienced

How resources are allocated

What policies and protocols are considered important and what they look like

What structures are put in place to help with governance work

The leadership qualities that are sought and nurtured

Examples in action

A governance work environment that values collaboration and equitable, engaging participation might have the following characteristics:

The board and staff leadership have a partnership which is based on working effectively together as a whole team in genuine collaboration, mutual accountability, and trust.

All those who participate in governance experience the environment as a psychologically and emotionally safe and welcoming space, in which they feel actively listened to and accepted without bias, and there's lots of space and support for navigating conflict and tension.

Board work is designed to be energizing and engaging, not just focused on due diligence and monitoring.

Governance policies, protocols, and structures that value resilience, agility, and excellence might have the following characteristics:

Governance processes and structures are only as formal as they need to be to address risk and meet legal and regulatory requirements; otherwise, they are designed to be agile and adaptive.

Policies and protocols go above and beyond meeting standards and norms, pursuing excellence.

Participation in governance that values a diversity of perspectives, lived experiences, wisdom, and knowledge might have the following characteristics:

The board is diverse, but there's also recognition it cannot represent everyone from the community. To be truly diverse in governance decision-making, the organization draws on many different perspectives, experiences, and knowledge from a wide network of stakeholders.

Strategies are in place to address real and perceived barriers to stakeholder participation in governance decision-making.

Board recruitment doesn't just focus on credentials, it focuses on a multifaceted range of skills, knowledge, experience, and personal attributes, like strategist, system-thinker, financial acumen, adaptive, and reflective.

Governance decision-making that values complexity, a focus on what matters most, and high-quality information, is an environment in which:

Thorny issues and tough decisions are resolved with integrity and boldness after fulsome conversations, with clear paths forward.

Accessible, timely, and accurate information and analysis is used to make governance decisions, including a range of community-centred insights, culturally relevant information, and different stories and perspectives.

Board meetings flow easily between generative and strategic conversations and more routine matters.

Creative tensions in decision-making like long-term planning and emergent responses, and seeking certainty as well as a comfort with ambiguity, are embraced.

Signs and characteristics of intentional governance culture

- Desired values, mindsets, and ways of behaving driving governance are made explicit – they are noticed, articulated, and documented. This means they remain consistent, relevant, and aligned as circumstances and the environment shift, such as a change in leadership.

- There is clarity about how the values and mindsets translate into practice, so they aren't just vague words and concepts.

- The board, leadership team, and other people who actively participate in governance have formal opportunities to reflect on their own personal values and mindsets and how they might impact and influence how governance is done.

- All those who participate in governance hold themselves personally and collectively accountable for "living" the desired values, mindsets, and ways of behaving and when they aren't, action is taken to address it.

- The intended culture is shared with key stakeholders as one way to strengthen governance accountability.

This resource is part of the Reimagining Governance Lab, a virtual hub for governance innovation full of resources, tools, and stories. **Visit the Lab.**

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