



NewThinking About ... GOVERNANCE and ORGANIZATIONAL CONSCIENCE

One potentially positive consequence of the unfortunate business headlines of 2002 is the opportunity to focus on the importance of governance. Like management, governance is becoming increasingly complex. **Unlike** management, that complexity cannot be satisfied by closer monitoring of processes and practices. The renewed challenge of governance is to think beyond the present but within the context of the guiding values and principles that form the organization's conscience.

By "organizational conscience," I mean to suggest that the very essence of an organization – the sine qua non of its **being** – by virtue of which it **is** the entity it is. The components of organizational conscience include expressed mission and values, the real history of decisions and actions that define the organization's life, and the "brew" of interpretive understanding brought to the organization by those responsible for its management and governance. That "brew" changes constantly. Thinking changes. Events influence the priorities of management. People join and leave the organization. The only constant in the life of the organization **is** its conscience. Hence, the renewed focus on governance. ***The purpose of governance is to enable organizational conscience to be known, interpreted, and preserved.***

So, what does this mean on a practical level? How is it possible for the board of a non-profit organization, just to use a specific example, to ***know, interpret, and preserve organizational conscience***, when the organization is under-staffed, under-funded, and overcommitted? The same question might be asked about any corporation confronting weaker than expected earnings, or struggling with a decision about a large loan for the CEO.

No matter WHAT the issue, and no matter WHAT the nature of the organization, the role of governance is to know, interpret and preserve organizational conscience. The practice of governing can be enhanced by making a deliberate effort to answer the following questions:

KNOWING Organizational Conscience

- a. What is the exact language of the mission, and how/when did it originate? When was it last revised, and what key terms changed in that revision? Why?



- b. For what primary reason has each member of the board been appointed?
- c. What words are used to “market” or describe the organization’s services and/or purpose?
- d. What expectations are expressed for employees in their roles as representatives of the organization?
- e. Are there any conflicts or ambiguities of value or meaning in (a.) through (d.) above?

 **INTERPRETING Organizational Conscience**

- a. How are disputes / complaints resolved?
- b. What methods are used for communication between committees and among members of the board?
- c. What is the relationship between the mission statement and the processes for employee evaluation of performance?
- d. What is the relationship between the mission statement and the compensation program?
- e. How does the organization respond to criticism?
- f. What is the level of trust and mutual respect among board members and between the board and the executive director/CEO of the organization?

 **PRESERVING Organizational Conscience**

- a. What method is used to evaluate board members?
- b. How are new board members identified and cultivated?
- c. What is the nature and status of strategic planning among the specific responsibilities of the board?
- d. How are major changes in the physical plant and/or in the organization’s “metrics” made?
- e. What methods and processes are used to monitor and change the program/services of the organization?
- f. How are achievements reviewed annually, and how are future goals and organizational needs both assessed and established?

The answers to these questions reveal a great deal about organizational culture, but more importantly, they open portals to organizational conscience. It is for those responsible for organizational governance to ask and answer these questions – and, depending upon the answers that are forthcoming, it is through consistent focus on matters of governance that the organization’s conscience remains a guiding presence.