BOARD LEADERSHIP AND GOVERNANCE TRAINING MANUAL

Presenter: Petronella Mwasandube
ASAP II Governance & Leadership Advisor

Date: January 25, 2024
1. Please let us know where you are from in the chat.

2. Please use the Q&A box to ask questions and the chat box for answering questions asked by the presenters.

3. We have three polls during the webinar today.

4. The presentation for today’s webinar will be saved on ASAP’s website at www.intrahealth.org/asap-resources
**PURPOSE**

Rapidly prepare Local Partners to have the capabilities and resources to serve as Prime Partners for USAID/PEPFAR programming, in compliance with USAID and PEPFAR procedures, for PEPFAR program implementation.

70% of USAID PEPFAR funding to local prime partners.

**STRATEGIC OBJECTIVES**

1. Strengthen Local Partners as they transition to receive PEPFAR funding as a USAID Prime Partner to comply with regulations.

2. Prepare Local Partners to directly manage, implement, and monitor PEPFAR programs, and maintain consistent PEPFAR program achievement and quality.
<table>
<thead>
<tr>
<th>ASAP II-SUPPORTED COUNTRIES</th>
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<tbody>
<tr>
<td>Angola</td>
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<tr>
<td>Cameroon</td>
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<td>Côte d’Ivoire</td>
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<td>DRC</td>
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<td>eSwatini</td>
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<td>Lesotho</td>
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<td>Malawi</td>
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<td>Namibia</td>
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<td>Nigeria</td>
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<td>South Sudan</td>
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<td>Uganda</td>
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<tr>
<td>Zimbabwe</td>
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<tr>
<td>ASAP I additional countries:</td>
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<tr>
<td>Kenya</td>
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<tr>
<td>Mozambique</td>
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<tr>
<td>South Africa</td>
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<tr>
<td>Tanzania</td>
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<td>Zambia</td>
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KEY RESULTS from ASAP I & II

ASAP has supported 126 local organizations in 18 countries

113 local partner organizations
13 local government partners
USAID/ASAP has broadcasted **105 webinars** for more than **22,000 attendees** in **76 countries**.

**AVAILABLE IN 3 LANGUAGES**
UPCOMING WEBINARS

January 30: Leadership Manual Part 2
February 1: USG Rules and Regulations: Cost Principles
February 6: Institutionalizing Good Human Resource Practices
February 13: Leadership and Governance: Best Practices: Session 1
February 15: Organizational Capacity and Compliance Assessment NUPAS Plus 2.0
February 20: Writing an Abstract
February 22: Sustainability: Resource Mobilization and Social Marketing
February 28: Procurement and Property Management Compliance Issues
March 5: USAID Financial Policies, Internal Controls and Compliance
March 7: Data for Decision Making
As a recipient of the UK Queen’s Honour of OBE and a former Executive Director of Health Systems Strengthening and Capacity Building for Deloitte and Touche, Petronella serves as Governance and Executive Leadership Capacity Advisor with ASAP II. An expert in organizational development and behavior, strategic planning, risk, and performance management, Petronella has customized organizational programs in multiple African countries to enhance responsible leadership, align workforces with strategic goals, and implement sustainable practices.

Petronella has an Executive Master of Business Administration from Ashridge and a BSc. in Health Sciences.
Welcome and Introductions

Focus and Objectives of Training Manual

Leadership and Governance Training Modules:
- Module One: Board Governance – The Role and Responsibilities of a Board
- Module Two: Fully Functioning Board
- Module Three: Board Risk Management
- Module Four: Board Performance Management
- Additional Resources and Tools
- Let’s have a discussion!
The manual is a tool developed by ASAP II to improve the capacity of local partner (LP) boards and executive directors and support them in adopting good leadership and governance practices.

It will also support ASAP II capacity advisors in training, mentoring, and coaching respective board leaders to set the tone at the top and serve their organizations well.

It will assist in preparing LPs to manage as prime partners with effective boards.
“The board training is an area that had previously given us some headaches. But this time, we took some time before the new board came in to work with ASAP II to train the new board and help them understand what was going on.

Even after the board training was over, ASAP II continued to follow up. Petronella has been with us, following up and reviewing the policies. These have been very helpful areas. This has been an invaluable support.”

- **Dr. Ogillo** - CEO of APHFTA, Tanzania
“The training provided to the board totally changed them. Five are women and six are men—but of different personalities and different expertise. They are really working well and supporting us these days. What we learned now is that the board has to be committed, above all, they have to be responsible for the organization’s needs. It is the board that decides the policies, and the strategy plan—almost guiding the organization. So, when I speak to other organizations about boards, some organizations are not confident enough in their advisory boards. Our board members are very good examples of the board we are supposed to have.”

- Aklilu Nega - Executive Director, Integrated Service on Health and Development Organization (ISHDO), Ethiopia
Building effective boards. Leadership builds or destroys NGOs and so I loved learning about good governance vs bad governance.

- building board capacity
- Building Highly Effective Board
- Developing Effective Boards
- Session on Effective Boards
- Training. This session strengthened my capacity
- Building Highly Effective Boards
- Training on Strengthening Boards
What is a governance framework: Diligent.com:

THERE ARE MANY MODELS AND APPROACHES TO TRAINING BOARDS AND EXECUTIVE LEADERSHIP
A KEY FACTOR: CHALLENGES ADDRESSED BY TRAINING BOARD LEADERSHIP

- Capacity caps identified in the NUPAS Plus assessments
- Absence of a proper functioning board – tokenism
- Founder syndrome: the founder/s maintain disproportionate power and influence
- Senior management struggles to find the right balance, and this affects performance
- Some LIPs appoint friends who do not have the needed skills to be on the board
- Power is centralized, with no delegation and management support
- Poor participation by important people
- The organization runs in permanent crisis mode
- The LP structure is not “fit for purpose”
- Asking themselves if money is being well spent by the organization.
**Our Objectives**

- Enhance the capacity of board and executive leadership
- Introduce/refresh the knowledge of key staff on board governance
- Highlight the importance of a board mandate and good governance systems
- Share effective governance and leadership frameworks principles and tools
- Improve board capacity to:
  - manage performance of the Executive Director
  - maintain effective oversight of board risk
  - perform well financially
  - advise management
  - develop strategy
- Improve the Executive Director’s role in strategic leadership
Manual addresses governance concepts

- Defines and **clarifies** the roles of the board, executive director, and senior management
- Explores and **refreshes** the **core skills and competencies** required of boards
- Covers key areas of how a board and leadership should **set the tone at the top** of their organization
  - accountability (a formal and transparent system is in place to hold accountable)
  - delegation of authority and internal control systems (policies, tasks, processes, behaviour)
  - ensuring effective governance in board proceedings
  - managing the performance of the executive director

- The manual covers **governance and leadership themes on factors** that create and sustain high-performing board governance teams
A governing board functions best when it:

- Focuses on higher-level issues
- Keeps a keen eye on future-oriented matters of strategy and policy
- Performs its oversight responsibilities in a rigorous but highly efficient manner
In ASAP II, we recognize that a highly effective board is one of the fundamental drivers of local partner performance, particularly in times of change.
KEY ROLES OF THE BOARD

- Formulating strategy
- Holding the organization accountable for its progress in achieving its strategic goals
- Oversight responsibilities – is money being spent well?
- Shaping the culture of the organization
Each key section in the manual starts with an exercise option, e.g.:

- **Exercise 1:** What is good governance?
  - Allows you to cover the principles of governance

- **Exercise 2:** What challenges are faced by the board of directors? How have you overcome any challenges?
  - Allows you to engage the participants and allows them to share their stories and exchange ideas/solutions with others
  - Facilitator summarizes the key challenges and solutions
The leadership involved in decision-making, culture, controls, and accountability from the boardroom and throughout the organization… to achieve consistently great outcomes.

Governance is really about capable people delivering great outcomes and making the world a better place.

Leadinggovernance.com
Sections

- Understanding board governance
- The role of governance and leadership
- Principles of governance
- Critical board activities, policies, and procedures
MODULE TWO: FULLY FUNCTIONING BOARD

Sections

- Components of a balanced board
- Characteristics of board members
- Relationship between the board chair and Executive Director

Key Question: *When does the board get involved with management?*
A SUCCESSFUL RELATIONSHIP BETWEEN BOARD CHAIR AND EXECUTIVE DIRECTOR

- The chair runs the Board
- Chair and CEO have mutual respect for each other
- CEO runs the organization
- The CEO should have a voice in choosing Board members
- The CEO and Chair should have clarity of roles
MODULE THREE: BOARD’S MANAGEMENT OF RISK AND ITS ROLE IN OVERSIGHT

Sections

- Overview of risks
- What is risk?
- Types of risks
- The distinction between risk oversight and risk management
- Identification of risks
- Measurement of risks
- Roles and responsibilities in risk management
- Steps to manage risks
Tools to share with participants for each section (as handouts):

- Example of risk structure
- Risk identification
- Risk escalation matrix
- Risk analysis and evaluation
- Risk map
Measures can then be agreed and planned that will reduce the likelihood and/or the consequence of the identified risks. Assurance of preparedness, enhance risk mitigation, prevent, detect, correct, escalate, measure for cumulative impact. Note: The Risk Map is a point-in-time depiction of management’s assessment of the organization’s key business risks and should be periodically updated. (source Deloitte and Touche)
Examples of Resources and Tools:

- Principles of Good Governance
- Sample Code of Conduct for Directors
- Board Delegation of Authority
- Board Evaluation Tools
- Board Meeting Procedures
This session allows you to train on looking at the organization holistically (*Use of group exercises*)

<table>
<thead>
<tr>
<th>High Level Focus Areas</th>
<th>Important Issues to Consider</th>
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<tbody>
<tr>
<td>Governance</td>
<td>How can we improve?</td>
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<tr>
<td>Performance</td>
<td>Does everything look as it should?</td>
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<tr>
<td>Strategy</td>
<td>Who is responsible?</td>
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<tr>
<td>Integrity</td>
<td>Who needs to be involved?</td>
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<td>People</td>
<td>Who needs to act on it?</td>
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<tr>
<th>Board Monitoring of Executive Management operations</th>
<th>The board should regularly check with ED</th>
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<tbody>
<tr>
<td>Planning</td>
<td>Why are we doing this?</td>
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<tr>
<td>Operations</td>
<td>Will this help to ensure that every tactic leads to improved performance?</td>
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<tr>
<td>Reporting</td>
<td></td>
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<tr>
<td>Culture</td>
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<td>Risk</td>
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• A tool that provides your board with a focus and enables setting up a system to make decisions

• Structure has the potential to enhance the board’s exercise of proper oversight and management’s ability to implement governance.
Start at the top. *Working your way down, at each step ask yourself:*
- “How will we improve this?”
- “Is this okay?”
- “Whose call is this?”
- “Who do we need to tell about this?”

This will help ensure that your tactics support your objectives.

Start at the bottom. *Working your way up, at each step ask yourself:*
- “Why are we doing this?”

This will help ensure that every tactic leads to improved performance
- List the key priority improvement areas
- Any other areas?
| **Strategy environment** | ▪ Existence of a strategy: clear vision, mission, goals, and strategic actions  
▪ Communication of the strategy to staff and stakeholders |
| **Leadership and decision making** | ▪ Evidence of mentoring and nurturing by the leadership  
▪ Clear decision-making structures, style of decision-making, and communication of decisions  
▪ Legal setup of governance; presence of a functional governing body and compliance with the governance structures |
| **Organizational structures** | ▪ Alignment of structure to strategy  
▪ Adequacy of structure to fulfil organizational needs  
▪ Clarity of roles and responsibilities  
▪ Effective chain of command  
▪ Interdepartmental relationships |
| **Organizational culture** | ▪ Dominant characteristics – values and behaviours that hold the organization together  
▪ Impact of current culture on performance and sustainability of optimum performance by the local partner |
Questions that the Board (and Advisors) should consider:

1. What areas should we be **spending time** on?
2. How do we **align** the board and management on priorities?
3. How do we make **decisions**?
4. How do we **communicate** decisions?
5. How do we ensure that decisions are followed up or **escalated** to the board?
6. How do we **mitigate** risk in everything that happens in the organization?
7. How do we position the **board** as a **strategic partner** with management?
8. What should we specifically do in the **critical areas of oversight**, such as strategy and risk?
9. How does the work of the **board committees** relate to and differ from the work of the full board?
1. Decide What the Board Should Look Like

- Identify the capabilities you need on your board. This is not just about having a prominent person from your community, but members with specific professional skills (e.g., expertise in financial management or human resources).

- Consider having the board represent the social and cultural diversity of the organization itself, literally looking like the organization and the people it serves.

2. Determine How Well the Board Currently Measures Up

- Have open, honest, and ongoing discussions about the makeup of the board and the extent to which it meets the organization’s defined needs.

- Have a board by-law/charter that states how long each board member should serve.

- Evaluate each member of the board, every year, to determine whether he or she has performed to expectations. Include the chair, members, and Executive Director.
THE BOARD’S ROLE AND ISSUES TO CONSIDER

- Clarify board oversight and responsibilities
- Determine the skills and knowledge the board requires to effectively execute oversight responsibilities
- Engage management in providing the information the board requires to exercise governance and risk oversight
- Advise management on policies that ultimately influence how governance is conducted
- Understand governance activities that occur at various levels within the organization and support management in its efforts to enhance program efficiency and effectiveness
LIP CULTURE IS KEY

Signs of a possible problem with the organizational culture is a must in training

- Silo thinking
- Dominant Executive Director
- Arrogant leadership
- Pressure to meet the numbers or overambitious targets
- Lack of access to information
- Low levels of meaningful engagement between leadership and staff
- Lack of openness to challenge
- Tolerance of breaches of regulations or code of ethics
- Short-term focus
- Misaligned incentives
SOURCES OF INSIGHTS INTO CULTURE

- Turnover and absenteeism rates
- Training data
- Recruitment, reward, and promotion decisions
- Use of non-disclosure agreements
- Whistleblowing, grievance, and “speak-up” data
- Employee surveys
- Board interaction with senior management and workforce
- Promptness of payments to suppliers
- Attitudes toward regulators, internal audits, and employees
- Exit interviews
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<tr>
<td>The board has not established the necessary oversight for risk management and establishing a culture of risk awareness throughout the organization.</td>
<td>The board has established oversight, but it is neither widely adopted nor well understood. Risk management and the culture of risk awareness only exist separately and unevenly within individual departments and not across the organization.</td>
<td>The board has established oversight and it has been clearly communicated throughout the organization. As a result, management Demonstrates a culture of risk awareness, but risk management Disciplines have not been embraced broadly or evenly in the organization.</td>
<td>The board has established oversight that is widely understood and adopted, creating a culture of risk awareness and the adoption of risk management disciplines throughout.</td>
<td>The board has established oversight and is constantly seeking ways to influence the improvement of the culture of risk awareness and management throughout the organization.</td>
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SURROUND YOURSELF WITH THE RIGHT PEOPLE WITH THE RIGHT SKILLS TO DO THE RIGHT JOB AT THE RIGHT TIME

The “Strategic Few”

- **Strategic Star**
  - Outstanding, clearest example of superior performance and potential.
  - Has the ability to take on major stretch assignments in new areas.
  - Will challenge the organization to provide growth opportunities fast enough.

- **Rising Star**
  - Consistently meets and exceeds expectations.
  - Knows the job well and enhances skills as appropriate. Has the ability to take on new and different challenges on a consistent basis.

The Leadership “Pipeline”

- **First line of development:** Strategic Star, Rising Star, Adaptable High Professional
- **Next line of development:** Adaptable Key Performer, Diamond in the Rough, High Professional

**Performance**

- **High-Pro**
  - Consistently produces exceptional results and high-performance ratings.
  - Knows current job extremely well.
  - May not effectively adapt to new situations.

- **Adaptable High-Pro**
  - Consistently produces exceptional results and high-performance ratings.
  - Knows the job well and continuously enhances skills.
  - Adapts to new situations if necessary.

- **Key Performer**
  - Consistently meets expectations.
  - Knows current job well.
  - May not effectively adapt to new situations.

- **Adaptable Key Performer**
  - Consistently meets expectations.
  - Knows job well and enhances skills as appropriate.
  - Can adapt to new situations as necessary.

- **Low Performer**
  - Does not deliver on results as expected.
  - Does not adapt to change well and may be a blocked personal learner.

- **Inconsistent Performer**
  - Delivers results inconsistently.
  - Knows the job and may be a passive learner.
  - May adapt to new situations if necessary.

- **Diamond in the Rough**
  - Delivers results erratically.
  - Has demonstrated potential but is not living up to it.

**Potential**

- **Less learning agility**
  - 0 Not Classified

- **More learning agility**
  - Not effective
  - Highly effective

**Surround Yourself with the Right People with the Right Skills to Do the Right Job at the Right Time**
CREATE DEVELOPMENT PATHS

The "Strategic Few"
- Fast Track, High Risk Assignments

The Leadership "Pipeline"
- First line of development: Strategic Star, Rising Star, Adaptable High Professional
- Next line of development: Adaptable Key Performer, Diamond in the Rough, High Professional

PERFORMANCE

HIGHLY EFFECTIVE

LESS THAN
EFFECTIVE

PERFORMANCE

0
NOT CLASSIFIED

LESS LEARNING AGILE

POTENTIAL

MORE LEARNING AGILE

CRITICAL KNOWLEDGE JOBS
- Build Functional Specialty
- Performance Improvement Plan

REINFORCE EXPANDING INTERESTS
- Build Future Utility
- Careful Next Assignment

INCREASE CHALLENGING ASSIGNMENTS
- Developmental Jobs

FAST TRACK, HIGH RISK ASSIGNMENTS
## WHAT DRIVES YOUR BOARD?

<table>
<thead>
<tr>
<th>PERSONALITY</th>
<th>PEOPLE</th>
<th>PERFORMANCE</th>
<th>POLICY</th>
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<tr>
<td><strong>Features</strong></td>
<td><strong>Features</strong></td>
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<tr>
<td>▪ Driven by results</td>
<td>▪ Driven by relationships</td>
<td>▪ Driven by best practices</td>
<td>▪ Driven by rules and policy</td>
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<tr>
<td>▪ Strong iconic leadership</td>
<td>▪ Family atmosphere</td>
<td>▪ Replication of tasks</td>
<td>▪ Bureaucratic</td>
</tr>
<tr>
<td>▪ Use passion to exert power</td>
<td>▪ Use relationships to exert power</td>
<td>▪ Use reason and measures of performance to exert power</td>
<td>▪ Uses rules to exert power</td>
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<tr>
<td>▪ Often strong, task-focused chair and/or CEO</td>
<td>▪ Often highly creative and people-oriented chair and/or CEO</td>
<td>▪ Chair or CEO is often a peacemaker and consensus builder</td>
<td>▪ Chair or CEO is often very analytical and precise</td>
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<tr>
<td>&quot;Trust me&quot;</td>
<td>&quot;Involve me&quot;</td>
<td>&quot;Show me&quot;</td>
<td>&quot;Tell me&quot;</td>
</tr>
<tr>
<td><strong>Benefits and challenges:</strong></td>
<td><strong>Benefits and challenges:</strong></td>
<td><strong>Benefits and challenges:</strong></td>
<td><strong>Benefits and challenges:</strong></td>
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<tr>
<td>▪ Nimble, rapid decisions</td>
<td>▪ Consensus-driven, team</td>
<td>▪ Facts, benchmarks, results are key</td>
<td>▪ Cautious and slow decision-making - traditional approaches</td>
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<tr>
<td>▪ Risk taking, innovative</td>
<td>▪ Loyalty encouraged and rewarded; resists &quot;outsiders&quot; (= non-family)</td>
<td>▪ Systematic</td>
<td>▪ Clear, routine, focus</td>
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<td>▪ Leader can alienate</td>
<td>▪ Resists change</td>
<td>▪ Undervalues people with divergent views</td>
<td>▪ Traditional</td>
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<tr>
<td>▪ No empowerment</td>
<td>▪ Difficulty setting priorities and taking risks</td>
<td>▪ Not as innovative as could be</td>
<td>▪ Resistant to change, outsiders</td>
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<td>▪ Always changing, can overreach</td>
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<td>▪ Benchmarking can be circular</td>
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<td><strong>Greatest fear:</strong></td>
<td><strong>Greatest Fear:</strong></td>
<td><strong>Greatest fear:</strong></td>
<td><strong>Greatest fear:</strong></td>
</tr>
<tr>
<td><strong>Power sharing</strong></td>
<td>Division</td>
<td>Taking risks</td>
<td>Changing the system</td>
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Accountability – great board members hold themselves and the organization accountable for advancing the mission.

Passion for mission – their passion is sincere and contagious, helping to promote others’ enthusiasm for the mission.

Donor access and modelling – great board members demonstrate a financial commitment to the organization and provide access to others who can do the same.

Big picture view – they view the mission through a strategic, not operational, lens.

Inquisitive nature – great board members aren’t afraid to ask hard or frequent questions in striving toward progress.
It is about Capacity Advisors working with local partners as a team and having open communication channels with them.

Working with them on their pain points - especially understanding the barriers the local partners face.

Requires a change in behavior and introducing local partners to learn best practices.

Identifying their issues and adapting sessions with them accordingly.

Bringing in some common-sense practices, especially in areas that are not so evident to them.

Achieving significant and sustainable changes, that free up their time to lead.

Train the trainer will be key!
FINALLY, THIS BOARD TRAINING MANUAL

- Shares our combined years of experience in guiding and coaching boards and executive leadership
- Includes best governance and leadership practices, frameworks, and templates required to successfully train board members and executive leadership

Special thanks to all contributors:
- ASAP II Leads
- ASAP II Advisors
- Local Implementing Partners