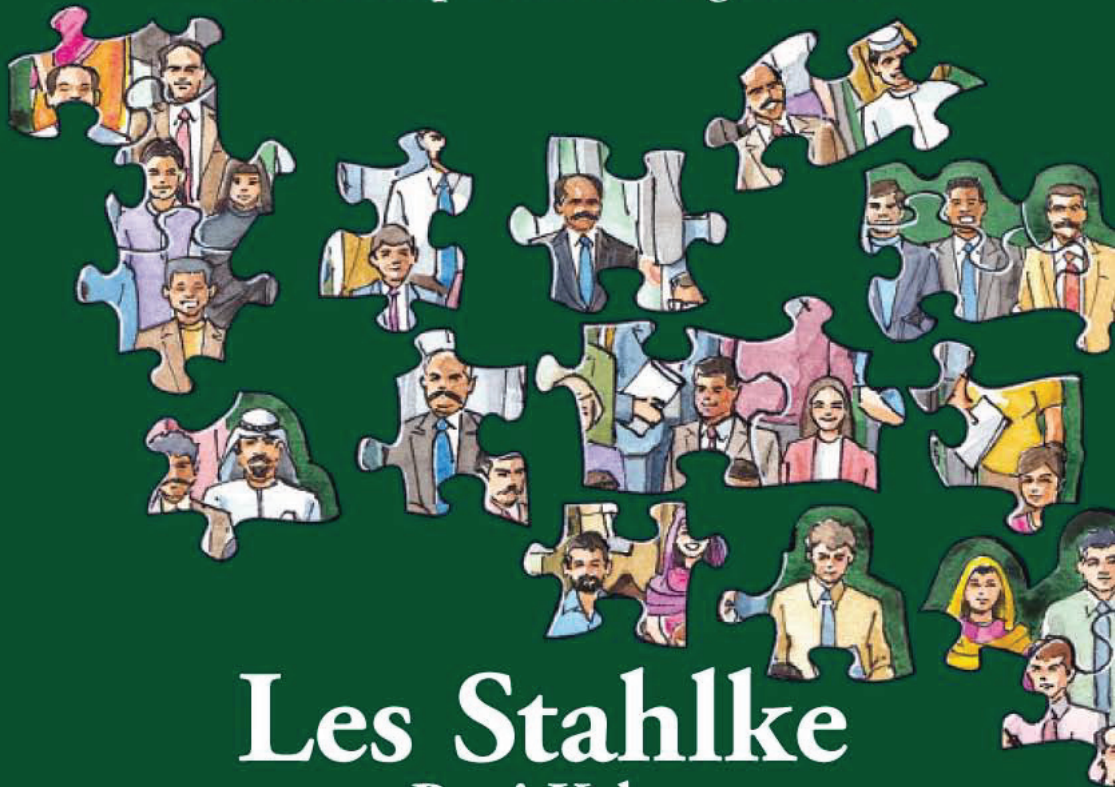

NOT-FOR-PROFIT GOVERNANCE MATTERS

Relationship Model™ of Governance,
Leadership and Management



Les Stahlke

with Patti Kelm and
Jennifer Loughlin

Balancing Client and Staff Fulfillment in
Values-based Not-for-profit Organizations

“The Relationship Model helped the board of Grace International School develop the change strategy required to move from a Managing board to a Governing board.”

Nancy Benham, MBE
Chair of Board of Governors 2000-2002, Grace International School
Dhaka, Bangladesh

“The Relationship Model has helped me and my board clarify our respective roles through a clear understanding of governance and how it differs from operational management.”

Bobby Lambert, Chief Executive, RedR/IHE
London, United Kingdom

“The process of transforming from a managing board to a governing board using the Relationship Model was a paradigm shift. However, it resulted in making Pro Coro Canada a more stable organization, increased morale, better leadership in every sense, and an encouraging positive future outlook.”

Trent Worthington, Associate Conductor, Pro Coro Canada
Edmonton, Alberta, Canada

“Finally, a light is shone on the path out of the chasm of non-profit organizational planning. Thanks, Les Stahlke!”

Gary R. Burkee, President, The Burkee Group
Chairman of the Board, Star of Hope Foundation
Milwaukee, Wisconsin, USA

“The Relationship Model of governance and management helped us clearly define how to properly plan to respond in almost any future situation.”

Ed and Rhoda Kirk, President and Vice President/Secretary
AA Electric S.E., Inc., Lakeland, Florida
Members, Board of Directors
Hope Seeds, Inc., Palmetto, Florida, USA

“Recently The Edmonton Academy governing board adopted the Relationship Model. It has made a big difference in terms of how we operate. It has certainly empowered the staff to handle the day to day operations and running of the school while allowing the Board to concentrate on strategic direction. Recently our Executive Director said, ‘We have made more progress in the last two years than the ten previous years. The board is able to concentrate on strategic direction rather than spend their meetings talking about details in the management of the school.’”

Joyce Johnson, Board Chair, The Edmonton Academy
Edmonton, Alberta, Canada

Governance Matters

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About the Authors



Les Stahlke

Les Stahlke has spent his entire 40-year professional career in leadership positions in not-for-profit organizations. Following six years as a parish pastor in Alberta, Canada, he led in the founding of the Lutheran Association of Missionaries and Pilots (LAMP). During his 25 years as CEO, LAMP became an international organization with two boards and expanded to serve people scattered over more than one million square miles of northern Canada and Alaska.

In 1995, he accepted an appointment to serve as the CEO of Mission Aviation Fellowship Europe, a consortium of ten European national MAFs, providing air transport services in four east African countries plus Chad, Madagascar, Bangladesh and Mongolia.

Les has served on numerous not-for-profit boards as a director and chair. The Relationship Model™ is supported by many years of leadership experience, personal observation, research and analysis.

Since 1999, Les' company, GovernanceMatters.com Inc., has offered the Relationship Model™ to churches, faith-based and values-based not-for-profit organizations in North America, Europe and Asia. He presents the model in person and via the Internet.

Les Stahlke, and his wife, Judy, live in Edmonton, Alberta, Canada.



Patti Kelm

Patti has had a diverse 25-year career working in the health care, university and not-for-profit sectors. She has held administrative and management roles at the Hospital for Sick Children (Toronto), University of British Columbia (Faculty of Medicine), the University of Regina (Faculty of Kinesiology & Health Studies) and Special Olympics Saskatchewan.

Patti is a graduate of the University of Regina (Bachelor of Education), St. Francis Xavier University in Antigonish, Nova Scotia (Adult Education) and the Canadian School of Management in Toronto, Ontario (Health Services Administration).

She is a licensed Relationship Model™ consultant and the Executive Director of The Arthritis Society – Saskatchewan Division. Her work now focuses on facilitating a healthy organizational culture, effective management and a keen sense of organizational purpose, to benefit those with arthritis, their families, and the scientific researchers and health care professionals that work in the field.

Her passion has been to empower individuals and organizations to achieve their full potential through the delivery of customized learning programs, board governance consulting, strategic planning and group process facilitation.

Currently, Patti resides in Regina, Saskatchewan, Canada, with her husband Don, and their two children, Matt and Nick.



Jennifer Loughlin

Following a childhood commitment to world mission, Jennifer served in a mission hospital in Nazareth. While at a major London hospital, Jennifer was invited to serve with TearFund, a Christian Relief and Development Agency. For 16 years, she was responsible for selecting and supporting people who served throughout the developing world, initiating a unique program for new graduates to gain cross-cultural experience.

With a Master's degree and as Director of Human Resources, Jennifer served with Mission Aviation Fellowship Europe, a mission flying into some of the world's most inaccessible places.

Jennifer maintains her commitment to international mission as a trustee of People In Aid, an organization establishing and maintaining standards of good practice for international aid workers. Today, she supports non-profit boards in their governance responsibilities through her organization, Creative People Solutions. She is a licensed consultant in the Relationship Model™. Jennifer lives in Cobham, Surrey, United Kingdom.

Prologue

“Who is your audience?” people ask me. Personal friends and colleagues have suggested that I write this book for four different types of organizations:

- faith-based not-for-profit organizations
- values-based not-for-profit organizations
- Christian churches
- for-profit corporations.

The Relationship Model™ of governance applies to all, but I am writing primarily for the second of these four. Common sense is at the heart of this model of governance, leadership and management. Not-for-profit organizations that are based on a variety of organizational values—humanitarian aid, the arts, education, etc.—have found the Relationship Model™ helpful.

I suggest that the best way to read this book is by starting at the beginning in order to introduce yourself to the conceptual basis of healthy, balanced working relationships detailed in the Relationship Model™. Once you have done this, feel free to move to the section most applicable to you, perhaps the role you have in your organization. There is something here for boards, board chairs, CEOs, managers, paid and volunteer staff.

Three of us have had a role in writing this book. Jennifer Loughlin, my colleague who lives and works in the United Kingdom, has written the sections that deal with competencies of board members, board chairs, chief executive officers and managers. Her research and expertise in competencies, vital components to healthy working relationships, is a major part of the Relationship Model™. Patti Kelm from Canada is also a consultant licensed in the Relationship Model™. She has edited the entire book to make it relevant for values-based organizations. She has researched other authorities on governance, leadership and management and has added numerous references to their work.

Many of the common English words in the text are used as technical terms. They have specific meaning to give the model clarity. For example, words like strategic and tactical can have several meanings. Other words, like power, hierarchy and accountability have been “abused” over the years. Each carries baggage that changes the meaning for many of us. In this book these words have only one meaning. All words to be taken as technical terms are included in the Definition of Terms in Part 3, Appendix A. Referring to these definitions may help you to understand the model more clearly.

You will also find in the appendices a bibliography of the work of other people on this journey towards knowledge. The development of their themes and concepts is, I believe, worthy of your consideration. Their works are foundational to this practical application of governance to not-for-profit organizations. I have quoted from some of their works, as I considered appropriate and valuable.

Life is a journey of learning, a journey that appears to have no destination of complete wisdom in this life... only milestones of “aha” experiences and discoveries. My purpose is to add value to your own journey by building on what is already available to you.

I believe that from your own experience and common sense, you are already acquainted with the many pieces that make up the “puzzle” of healthy, balanced working relationships. My hope is that this book will help you find clarity in seeing how the many pieces can fit together to form the big picture of a healthy not-for-profit organization.

Les Stahlke

Relationship Model™ Principles of Governance, Leadership and Management

1. The organization seeks a balance between the fulfillment of the needs of the clients and the personal fulfillment of the staff and volunteers.
2. The affirmation, involvement and servant leadership of every individual and group at every level in the organization are vital to the success of the organization.
3. Authority, responsibility and accountability are the primary components of all relationships. Limitations of authority and expectations of responsibility are the secondary components.
4. Circles of authority and responsibility are defined clearly and are maintained equal in size by placing limits on authority or by negotiating expectations of responsibility.
5. The board of directors, acting on information from all stakeholders, is responsible for strategic planning: defining beneficiaries, services/needs, vision, mission and priorities, monitoring performance and measuring results.
6. The CEO is responsible for managing the delivery of services to the clients in accord with board-stated priorities and for achieving the strategic goals within the limitations of the authorization and resources available.
7. Each individual has a share in responsibility for creating, owning, understanding and implementing the mission of the organization.
8. Decision-making proceeds from shared values, vision and mission, not unilaterally from the board or the CEO. Decisions are made as close as possible to where they are implemented.
9. The organization is results oriented. Indicators of results are identified. Strategic and tactical goals are set in balance with available resources. Results are measured.
10. Accountability is mutual. The source of authority is accountable to the recipient for providing adequate authorization and resources. The recipient is accountable to the source for achieving results.