Mission: The Non-profit Organization’s Defining Value

The Mission of a Non-profit

>The defining value for the entire non-profit sector;

>The integrating value for all non-profit organizations;

>An ignored reality in too many non-profit organizations.

What does Mission involve?

Mission signifies that an organization primarily exists to benefit community in an organized and measured way without financial benefit to key stakeholders such as the Board.

THE NONPROFIT SECTOR

1. Philosophic Basis: The philosophic concept that laid the foundation for a uniquely organized community benefit sector is *voluntary association* that was incorporated in the USA’s founding documents and was championed by John Adams of Massachusetts.
2. History: The sector grew incrementally and without designation from 1776 until 1954 when the Internal Revenue Service codified it as the non-profit sector.
3. This sector includes 37 categories of legally incorporated organizations. Examples include pension plans, veteran organizations, fraternal societies, mutual insurance companies, and even state-chartered credit unions. Most identify the sector by the 501©3 IRS code category which includes the charitable organizations that are mostly represented here today.

(Confer Lester Salamon’s, *America’s Nonprofit Sector, p.11.*)

1. The Mission of 501©3 organizations is considered to be so important to community benefit and governed by volunteer boards that the U.S. government grants them tax benefits.

FIRST PRINCIPLE

Boards should assure that non-profits do well by serving and promoting Mission. Most researchers in this field indicate that Boards need help in how they serve mission. This breakfast series will attempt to offer such help.

TECHNIQUES FOR EFFECTIVE BOARDS IN SERVICE TO MISSION

Some typical problems that inhibit boards from being effective:

>An excessive concern for budget and program challenges to the neglect of Mission. This is what is referred to as *mission drift.*

>An extension of the previous challenge often means that there is no formal process to commit and/or recommit the Board to keeping the Mission as the organization’s defining value.

>The Board overly defers to the Executive Director/CEO as the guardian of Mission. This is sometimes referred to as the problem of the charismatic founder and may affect as many as 25% of all non-profits.

SECOND PRINCIPLE

Boards must equally focus on two priorities, namely the organization’s Mission and the Business. The former goes to identity and the latter to such things as the program and the budget. An equality of commitment does not necessarily mean an equality in the time allotted to each.

A distinction in two types of questions can be helpful in determining what primarily has a business or a mission focus. They are questions of fact or questions of awareness.

>Fact questions usually begin with what, who, where, when and how many and need only be asked once in order to act appropriately.

>Awareness questions go to identity and should be asked often in life. They include such questions as who am I? Where did I come from? What is my purpose? The value of these questions in the life of individuals has been recognized for decades, but has more recently been recognized as important for organizations.

>In board process, awareness questions usually are asked in non-business sessions such as in a retreat or in the phases of a Strategic Plan that focus on vision and mission. Processes that prioritize awareness questions actually also socially bond participants into a community of better decision makers.

Why? Boards function as a group of decision makers. Therefore principle three holds that they will benefit if guided by the dynamics of group theory.

The principles of group theory were developed in the mid-twentieth century by a family counselor, Virginia Satir.

The basic principle holds that all groups must solve the ***problem of authority***before they will have sufficient ***intimacy***to function well together.

Definitions:

>Authority in group theory does not mean hierarchical. Rather it indicates the power each group member has to accept others by assigning to each a role or responsibility.

>Intimacy in this model does not involve romance, but a respectful bonding that will permit groups to be willing to work together practically. (Give an example from child welfare.)

Various principles that are corollaries from group theory:

1. Schedule an annual retreat at the beginning of each fiscal year with no agenda other that recommitting to mission. An outside (objective) facilitator can be helpful to this process. The length of a retreat will depend on the size of the Board.
2. Once a retreat has been held (and the problem of authority addressed), the board should not replace any Trustees until the next retreat. New members mean that the authority problem will be reopened. (An exception may be needed in some cases.)
3. Boards should have fewer, but larger committees. When committees meet, some social dynamic should be tied to the meeting, i.e., coffee & bagels at a morning meeting or wine and cheese at an evening session.
4. Strengthen board process by having a rule that no proposals may be presented at a board meeting unless it was first presented to an appropriate committee for review and recommendation. This solves two typical board problems. It will empower the committee structure to be important and meaningful. It will also inhibit over functioning individual Trustees from ignoring board process.
5. Develop a board manual that lists expected board practices.
6. Create a Book of Resolutions that documents all decisions (i.e., resolutions) that the Board makes each year, separate from the organization’s Minutes.
7. During the last month of the fiscal year, let the Board evaluate itself by filling in a basic survey on how it performed.
8. Design the meetings for efficiency. John Tropman will gives some recommendations on how to structure this during his presentation in the May session of this series. Today I will add a suggestion to this process that it drawn from a book entitled, *Governance as Leadership,* by Richard Chait, Wm. Ryan, and Barbara Taylor. They recommend adding late in each board meeting some time for an open-ended value discussion which they will refer to as strategic or generative.

Contact information:

Thomas J. Harvey

tharvey@nd.edu