



Aligned Engagement: The Enlightened Path to Effective Board Governance

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Article Highlights

- Directors demonstrate "aligned engagement" and become "enlightened board members" when their activities are fully aligned with the mission and vision of the organization he or she serves.
- Board members who understand the difference between engagement and aligned engagement are more likely to guide the organization to success and significantly increase long-term stakeholder value.
- Beyond fulfilling traditional duties, enlightened board members are driven by passion and are committed to serve the nonprofit with suitable knowledge and skills required by the organization.

The term "engagement" often appears in readings and discussions regarding board governance. What does it mean to be engaged? What is the difference between engagement and *aligned engagement*? More importantly, why is aligned engagement so significant for board governance?

The standard definition of "engage" is "to take part in something and to give attention to something"¹. When speaking in the context of board engagement in nonprofit organizations, the term "engagement" is often associated with the amount of time that directors devote to board and organizational activities.

Knowledgeable and engaged directors should have a favorable impact on the success of the organizations they serve. However, simply being knowledgeable, without being engaged, is not helpful to the board. Likewise, being engaged, but continually lacking appropriate knowledge, is not likely to result in constructive dialog among directors. Accordingly, to be fully aligned at the appropriate stages of discourse, directors need to be knowledgeable and engaged in different aspects.

Directors demonstrate "aligned engagement" and become "enlightened board members" when their activities are fully aligned with the mission and vision of the organization they serve. These activities, which go beyond their fiduciary responsibilities, can be characterized by the directors' passion and interest, knowledge and skills, financial support, and time.

From my discussions and experiences working with various board directors and members of different organizations, I have concluded that aligned engagement is critical for the board's ability to govern the organization in fulfilling its mission. Board members who understand the difference between engagement and aligned engagement are more likely to guide the

organization to success and significantly increase long-term stakeholder value.

Traditionally, board members are accountable for fiduciary duties as well as for supervising the President or the Executive Director of the organization. However, enlightened board members focus beyond their fiduciary duties. They overcome challenges in monitoring the President's activities and work together with him or her by providing meaningful guidance and constructive support. The President and CEO of XCEO Inc., Dr. Curtis Crawford, states in his book that "teamwork without leadership is a myth, and so is leadership without teamwork"². The success and effectiveness of an organization hinges on its board members' ability to align their engagement and commitment to exceed performance expectations.

In addition to fulfilling the traditional fiduciary roles, enlightened board members fully align their passion and interest with the organization's mission and vision. They acquire the essential knowledge and appropriate skills to best serve the organization. They also understand that board members can be engaged with the organization's activities; but if their engagement is not aligned with the interests of the organization, it may cause critical consequences for the nonprofit.

According to *The New York Times*, New York City Councilman Larry Seabrook was convicted on July 26, 2012 for conducting a corruption scheme to direct large amounts of city funds to nonprofit organizations ran by his relatives and friends. Based on the government's indictment, some of the relatives and friends were employed as organizational leaders to be a part of the scheme and did not obtain adequate skills and experience required by the nonprofits³. These organizational leaders were engaged in the board's activities; however, because their interests and skills were not fully aligned with the organizations' interests and needs, it was found that the long-term stakeholder value was damaged greatly.



- Aligned engagement of enlightened board members will significantly improve the governance performance of the organization and the services and products it provides to the community members who count on the nonprofit to fulfill its mission.

In order to ensure the success of a nonprofit, board members' financial contributions should also be properly aligned with the organization's interests and needs. According to Grant Thornton's Annual Survey, 56 percent of the organizations represented required the board members to make a financial contribution to the organization and the trend of requiring donations from board members could continue to increase⁴. Proper fund allocation can significantly improve the performance of a nonprofit and I believe it is crucial that board members' appropriate financial engagement is aligned with the organization's mission and vision.

Though aligned engagement requires board members to commit more than just time, enlightened board members should be willing to devote an appropriate amount of time participating in board and committee meetings and other activities related to the organization. It is necessary for board members to invest a sufficient amount of time to fulfill their duties and responsibilities in the organization which will directly influence the success of the nonprofit.

Overall, I believe the performance of a nonprofit organization is directly correlated with the level of aligned engagement of its board members. Enlightened board members understand the difference between engagement and aligned engagement. Beyond fulfilling traditional duties, enlightened board members are driven by passion and are committed to serve the nonprofit with suitable knowledge and skills required by the organization. Aligned engagement of enlightened board members will significantly improve the governance performance of the organization and the services and products it provides to the community members who count on the nonprofit to fulfill its mission.

Please continue following XCEO's INK for more discussions on nonprofit board aligned engagement and learn how XCEO can assist and enlightened board members in providing high-quality, value-added services through aligned engagement.

Bibliography

- ¹ Merriam-Webster Dictionary. 2012.
- ² C. J. Crawford. *Corporate Rise: The X Principles of Extreme Personal Leadership*. 2005.
- ³ B. Weiser. *Bronx Councilman Is Convicted of Fraud and Loses Seat*. The New York Times. 2012.
- ⁴ G. Thornton. *National Board Governance Survey for Not-for-Profit Organizations*. 2007.



About the Author



Alice Zhang

Alice Zhang is responsible for all activities related to non-profit, enlightened governance boardroom consultancy at XCEO, Inc. Alice leads the program from project initiation through delivery, interfacing with non-profit, municipality, foundations, and universities on matters regarding the CEO's book *Compliance & Conviction: The Evolution of Enlightened Corporate Governance*. Working closely with Dr. Curtis Crawford, Alice develops products and services that are designed to provide boards and directors the skills and knowledge to embrace enlightened governance best practice.

Prior to joining XCEO, Ms. Zhang worked in several marketing and management roles including the Producer at KTSF, Channel 26, Program and Marketing Manager at World Link, and International Events Committee Advisor for the 2010 World Expo in China. She also has experience working at Foreign Policy Magazine, New America Foundation, and the U.S. Congressional Office, District 32. Ms. Zhang was the Chair for Global Leadership Institute, the Founder and Program Manager for Achieve Free Tutoring Program, and Founder and Chair for Universal Language Club.

Ms Zhang holds a BS in Management Science and a BA in International Studies focusing on Politics from the University of California, San Diego. She has studied at various renowned universities internationally, including Cambridge University in England, Fudan University in China, and Meiji Gakuin University in Japan.

About Our Organization

At XCEO, Inc., we believe individual leadership is the driving force for inspiring creativity and ultimately maximizing intellectual capacity. We provide individual and corporate development in the principles of *Extreme Personal Leadership*®. We call this *X-Leadership* and it is the touchstone of our company.

In today's globally competitive world, intellectual property is a key indicator of long-term success. Corporations and individuals are seeking knowledge intensive solutions to sustain a competitive advantage. At XCEO, we offer *Professional Mentoring and Personal Leadership Development* programs, as well as *Corporate Governance and Board Leadership Development* programs, for high-aspiration individuals and forward-looking corporations.

Through our Professional Mentoring and Personal Leadership programs, we assist individuals in developing personal career and development plans to achieve senior

executive-level positions. We also support corporations that recognize the need for a broad array of development options for their high-potential employees being groomed for senior leadership responsibilities.

As part of XCEO's pursuit of enlightened corporate governance, we have created the *Enlightened Corporate Governance Board Performance Evaluation Program* to support boards and directors in their pursuit of excellence. Through our program, we are leading the movement past compliance, toward principled action which maximizes shareholder value. We have designed a set of eight individual and board evaluation exercises which provide an exceptional opportunity for directors to take their boards to a whole new level of effectiveness.

A large, stylized logo for C.E.O. The letters are in a light grey, sans-serif font. A blue, curved graphic element, resembling a stylized 'X' or a swoosh, is positioned behind the letters, starting from the bottom left and curving upwards and to the right.

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