

## **Governance in non-profit organizations: what mechanisms are at work beside the Board?**

Julie RIJSENS, Sybille MERTENS

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### Abstract

Corporate governance has imposed itself as a major issue for several decades (Bouchard, 2004). Whatever the type of organization, governance can be defined as the set of organizational mechanisms that "govern" the behaviour of the various actors and define their powers and discretionary space, on the basis of the goals assigned to the organization by the various stakeholders, with a view to ensuring a transparent management of the organization and balance of power between the owners, members of the general assembly, Board members and managers in the broad meaning of the term (Labie, 2005 ; Enjolras, 2005 ; Coeckelbergh, 1999 ; Charreaux, 1997).

If this issue has been the subject of significant formalization in the field of for-profit enterprises, the situation is somewhat different as far as the non-profit sector is concerned: researchers undoubtedly demonstrate an interest for the subject but the results remain for their part little formalized; up to now, they have not produced any specific framework of analysis for the non-profit sector (Labie, 2005; Cornforth, 2004 ; Bouchard, 2004).

The specific characteristics of non-profit organizations (goal structure, specific configuration of ownership rights, multi-stakeholder character, resource mix, culture), though, call for adapted governance practices and tools.

A broad range of mechanisms or practices can be implemented in order to apply the principles of governance. Among these, the mechanism which probably remains the most frequently used and studied is the Board (Labie, 2005 ; Cornforth, 2004 ; Callen, Klein & Tinkelman, 2003 ; Cornforth, 2001 ; Mayaux, 1999 ; Coeckelbergh, 1999). However, other practices or tools, sometimes more implicit, can also play an important role in the implementation of principles of governance. G. Charreaux (1997), for example, established a typology of governance mechanisms for for-profit enterprises; this typology is based on the distinction between specific and non-specific mechanisms and between intentional and spontaneous mechanisms; M. Labie (2005) takes over this typology and applies it to third sector organizations.

In the wake of the works carried out by other authors on this subject and on the basis of G. Charreaux's (1997) typology, the present article aims to show what governance mechanisms (conventional or specific to the non-profit sector) are at work, beside the Board, in non-profit organizations, and the way in which these mechanisms ensure a transparent management and the balance of power. This analysis allows to put in perspective the roles generally assigned to the Boards.

An empirical analysis allows to test our hypotheses against the facts. Data are collected in three different ways: first, through focus groups bringing together researchers, experts and field practitioners in various fields of activity within the non-profit sector; secondly, through a quantitative survey on the role and composition of non-profit organizations' boards in French-speaking Belgium; and finally, through interviews with key actors of the non-profit sector.

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