Engaging the Board in
AI GOVERNANCE

DONNA OSER, CAE | President & CEO, MSAE

Artificial Intelligence has dramatically impacted how we work, live, and conduct business. So significant is this impact that Amith Nagarajan, Chairman of Blue Cypress and author of Ascend: Unlocking the Power of AI for Associations, describes it thus: "Not since the advent of flight have we encountered an innovative change as far-reaching in its potential as AI. [AI is] like going from a horse and buggy all the way directly to supersonic flight and beyond.[1]" And, of course, that impact is only going to grow as time passes. So, it is incumbent upon association executives to engage boards in a dialogue about this consequential issue and develop an approach to the governance of AI within our organizations.

> Association executives can meaningfully engage their boards in the development of an artificial intelligence governance framework by using a simple but intentional process. Essential steps in the process include Education, Exploration, Determination, and Implementation.

Step 1: Education

During this step, the focus is on education to ensure that all board members have a shared understanding of the technology. After all, board members can't be expected to make informed decisions without an understanding of the technology.[2] The following aspects of AI should be included or at least summarized for board consideration: critical applications, data quality, data privacy, bias, transparency, accountability, risk management, talent management, and ethics.

Executives concerned about getting time on busy board member calendars may elect to share information and resources with board members digitally and request that it be reviewed before a scheduled meeting that focuses on the next step, Exploration.

Step 2: Exploration

Exploration is best conducted during an in-person meeting with sufficient time for a thorough discussion. During this step, the board discusses and brainstorms AI's potential impacts and uses through facilitated conversation. (Be sure to allow time at the beginning of this meeting for board members to reflect on what they've learned about AI and clarify any questions they may have.)

Patrick Glaser, MA, MPA, Practice Manager at McKinley Advisors, suggests exploration should include identifying the potential threats and opportunities of AI and considering how AI could be used in your association and industry. [3] Glaser's guiding questions[3] for the conversation include:

- What are the most significant areas of disruption in our field, and how will AI play a role?

- What role does AI have in supporting the association's top areas of activities (e.g., benefits, services)?

- What initial reactions and thoughts do you have on artificial intelligence, and why do you feel that way?

- How fast does the association need to move on AI, and what are the risks of action and the costs of inaction?

- How can we evaluate the impact of AI and its use?

Responsible AI governance is essential to safeguard associations, mitigate risks, and unlock the full potential of AI.

Step 3: Determination

Ultimately, the board and chief staff executive need to coalesce around a governance framework for AI aligned with strategic goals, defined by policy, supported by skilled talent, and grounded in ethics.

The following items should be incorporated into the board's policy[4]:

- Purpose and scope of the AI policy

- Statement of organizational beliefs and approach to AI, including:

- Ethical principles

- Commitment to mitigating risk

- Defined roles and responsibilities for oversight and implementation

- Practices and expectations relating to security, laws and regulations

- How and when the policy will be reviewed and updated

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[1] Nagarajan, Ascend: Unlocking the Power of AI for Associations, 5

[2] Vail, AI and Nonprofits: What Boards Need to Know, https://www.boardeffect.com

[3] Glaser, A Guide to Approaching AI with Your Board, https://www.mckinley-advisors.com

[4] Workable, AI tool usage policy, 2024

AI Governance Resource Roundup

Quick Hits

Artificial Intelligence Board Reflection Guide (McKinley)

 ▶ **https://tinyurl.com/S24mckinley**

AI tool Usage Policy Template (Workable)

 ▶ **https://tinyurl.com/S24workable**

Elements of an AI Governance Framework (BoardEffect)

 ▶ **https://tinyurl.com/S24boardeffect**

Deep Dives

AI and the Role of the Board of Directors (Harvard Law)

 ▶ **https://tinyurl.com/S24harvard**

Ai and Board Governance (National Association of Corporate Directors)

 ▶ **https://tinyurl.com/S24nacd**

Ascend: Unlocking the Power of AI for Associations (Sidecar)

 ▶ **https://tinyurl.com/S24sidecar**

AI Risk Management Framework (National Institute of Standards and Technology)

 ▶ **https://tinyurl.com/S24airc**

Phase 4: Implementation

It is ultimately the responsibility of the chief staff executive to implement the framework as it relates to association operations. Leaders must ensure frequent and consistent communication with all stakeholders regarding the association's approach and beliefs associated with AI. Consideration must be given to ongoing staff training regarding ethics, the responsible use of artificial intelligence, and security concerns. Compliance with data protection laws and staying current on changes in law and practice are high priorities. As with all significant initiatives, leaders should continually monitor progress, evaluate results, adjust, and suggest revisions to the framework as necessary.

Developing a solid AI governance framework now will allow your association to navigate future developments to the benefit of your members. Check out the Resource Roundup for more information on AI governance.

Meet Donna

Donna brings considerable governance experience to her role as President & CEO of MSAE, having previously held leadership positions with the Michigan Association of School Boards, Michigan Association of Secondary School Principals, Vital Associations, and Michigan PTA. She holds a master's in Management, Strategy, and Leadership from MSU and a bachelor's in Business Administration and Management from Cleary University. When not working, Donna enjoys reading, gardening, spending time outdoors, and hanging out with family, friends, and her (very spoiled) rescue dog, Toby.

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