

Leadership Certificate for Nonprofit Board Chairs

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2:00-3:30pm

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BoardSource®

About Your Presenter



- BoardSource, Senior Governance Consultant
- Principal Consultant, Sage Consulting Network, Inc.
- Previous- Director of Consulting and Training at a State Association of Nonprofits
- Licensed Consultant – Standards for Excellence An Ethics And Accountability Code For Nonprofit Organizations
- Clinical Psychologist- previous Healthcare Executive

About BoardSource

VISION

a world where every social sector organization has the leadership it needs to fulfill its mission and advance the public good

MISSION

to inspire and support excellence in nonprofit governance and board and staff leadership

OUR GOALS

Deepen understanding and inspire action on critical sector issues

Educate leaders and support effective board service and governance

Board Chair Priority Focus Areas

I. Context for the Work of the Board

II. The Board Chair's Role

III. The Board Chair-Chief Executive Partnership

IV. Facilitation Skills and Priorities

Introductions

In the Chat box share:

your name

name of your organization

how long have you been the Chair?

Leading with Intent 2017

- *Leading with Intent 2017* reports on nonprofit board composition, practices, performance, and culture. **This year's study is BoardSource's ninth**, with previous studies conducted in 1994, 1996, 1999, 2004, 2007, 2010, 2012, and 2015.
- *Leading with Intent* is unique in that it collects responses and feedback from both chief executives and board chairs, creating opportunities to compare and contrast these perspectives.
- BoardSource received a total of 1,759 individual responses
 - 1,378 from chief executives
 - 381 from board chairs
 - 214 where both the chief executive and the board chair of the same organization completed the survey

I. Context for the Work of the Board



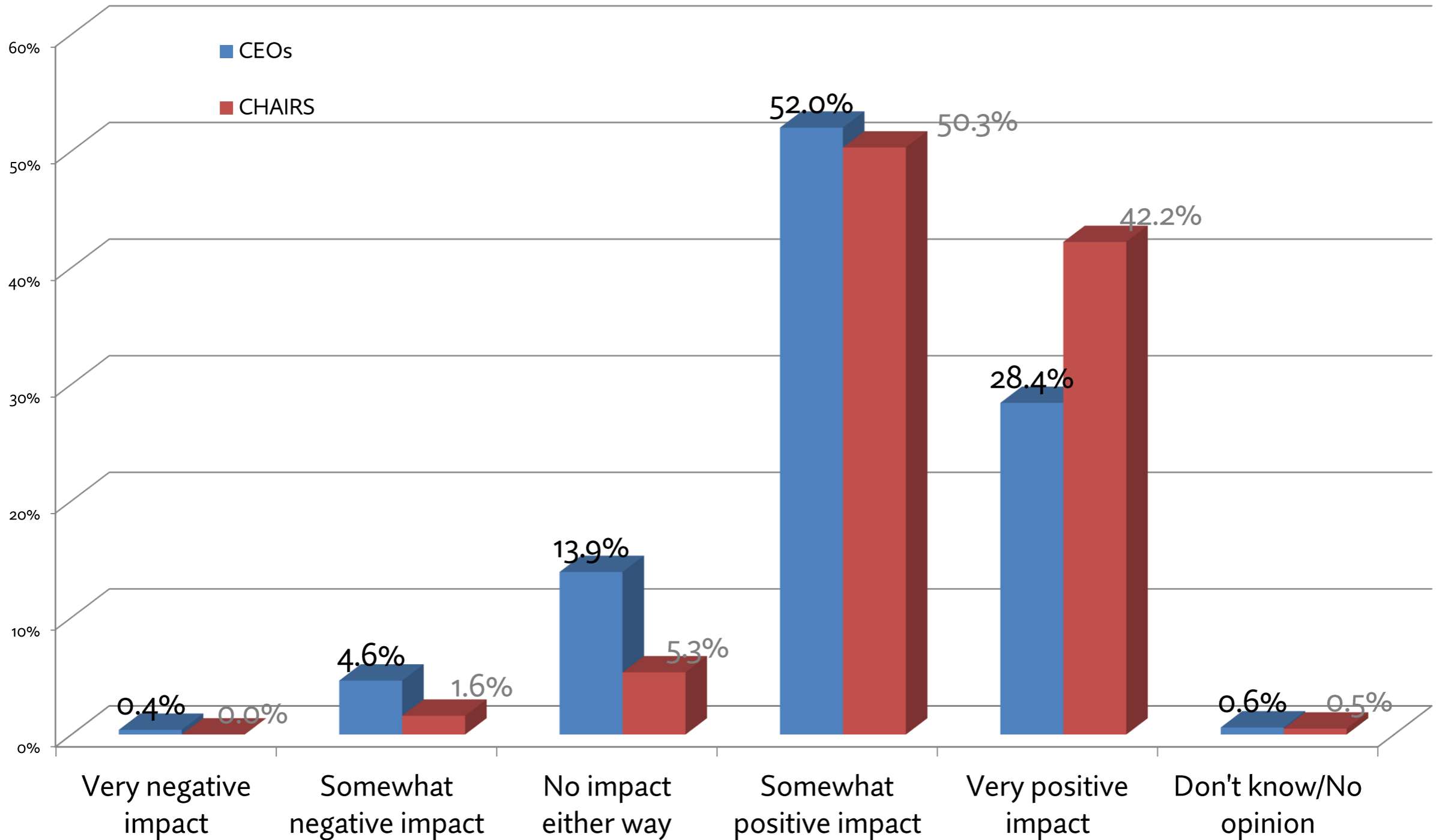
Boards *Matter*





Boards Matter: Impact of board on organization's performance

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The Who, What, and How of Board Performance



PEOPLE (WHO) Board Composition & Structure

Composition

- Size & Terms
- Composition/Diversity & Inclusion
- Recruitment & Elections

Structures

- Committees
- Meetings



WORK (WHAT) Board Responsibility

Strategy & Programs

- Mission, Vision, Programs
- Strategic Planning
- Strategic Issues

Ambassadorship

- Advocacy & Public Policy
- Fundraising

Financial Oversight & Accountability

- Financial Oversight
& Sustainability



CULTURE (HOW) Leadership & Board Dynamics

Board Development

- Role Clarity
- Orientation
- Assessment

Board Dynamics

- Chair & Board Succession Planning
- Group Dynamics & Board Member Engagement

CEO Relations

- Constructive Partnership
- Evaluation & Compensation
- CEO Succession Planning

A Snapshot of Who Boards Are and How They Work



The
People



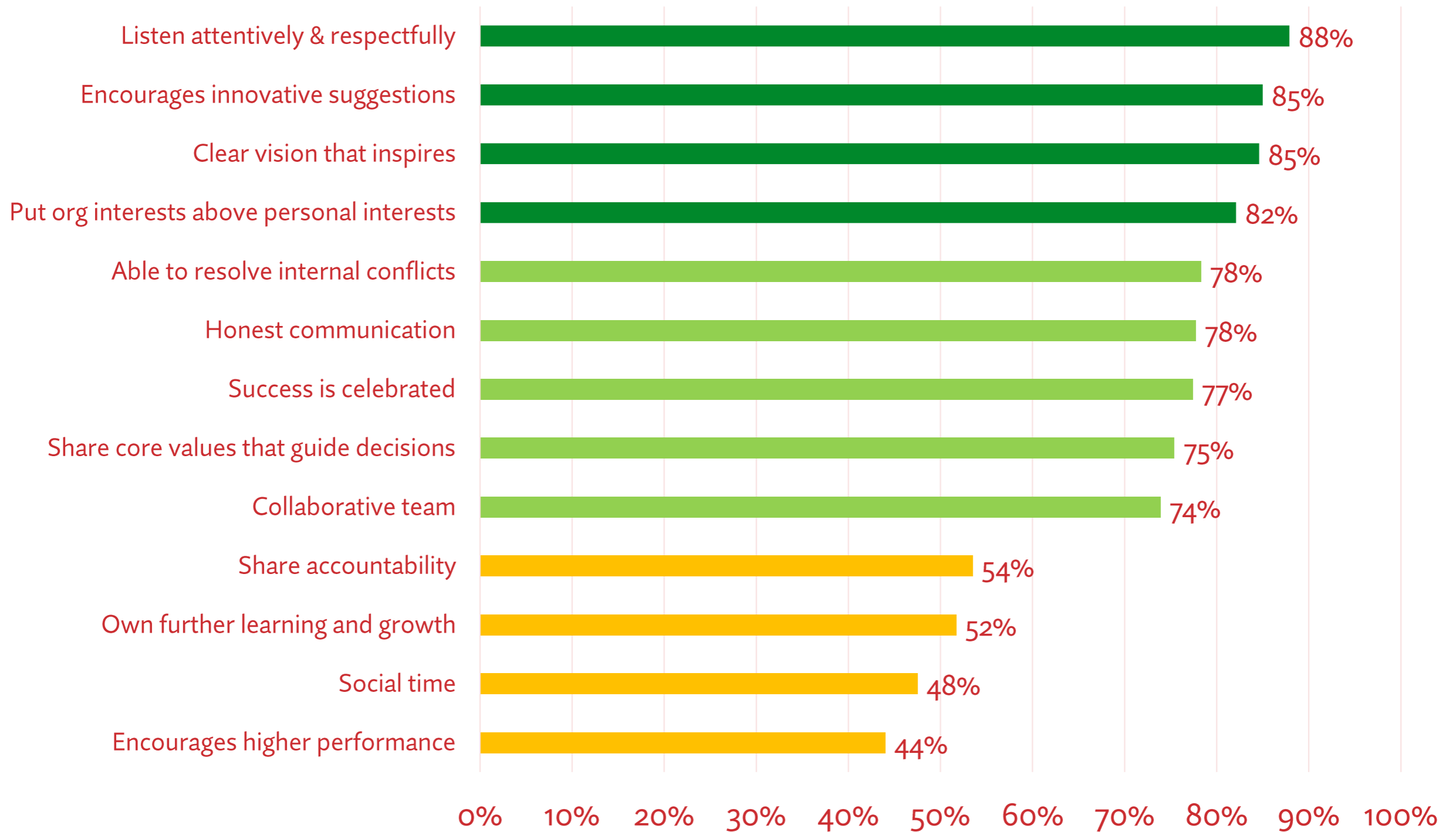
The
Culture



The Work



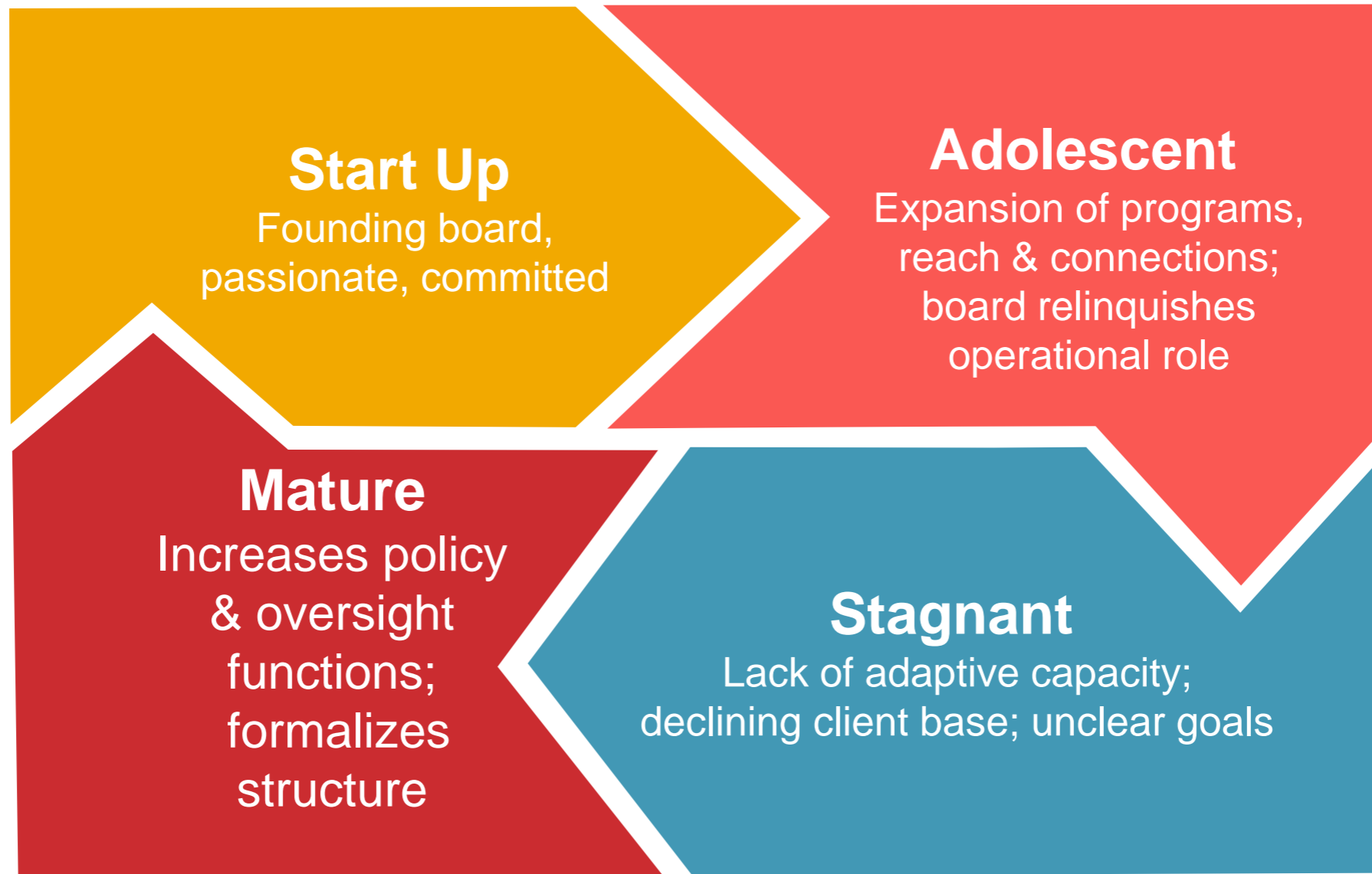
CEOs and Board Chairs Agree on these Board behaviors



Organizational Lifecycles and Board Leadership

Board Characteristics	Start-Up (to begin)	Adolescent (to grow)	Mature (to sustain)
1. Size, composition, and structure	Small, homogenous	Expanded	Formal nominating process; diversity of skills; committees and task forces
2. Role and activities	Hands-on role in both management and oversight	Formalized role with board member job descriptions	Reduces operational role; focus on policy & sustainability
3. Relationship with Chief Executive	May be just hiring the chief executive; informal performance review	Clarified planning function; formal evaluation & goal setting	Conducts formal evaluation; creates succession plan
4. Board Development		Discussion of board performance and how the board needs to improve	Board formally assesses itself and creates a board development plan

Board Life Cycles



Full Board Responsibilities

Establish Strategic Direction

1. Determine mission and purpose
4. Ensure effective planning

Ensure the Necessary Resources

2. Select the chief executive
6. Ensure adequate financial resources
8. Build a competent board
10. Enhance the organization's public standing

Provide Oversight

3. Support and evaluate the chief executive
5. Monitor and strengthen programs and services
7. Protect assets and provide financial oversight
9. Ensure legal and ethical integrity



Legal Obligations of Board Members

Duty of Care

- Using your best judgment.
- Actively participating, paying attention.
- Asking pertinent questions.

Duty of Loyalty

- Avoiding conflicts of interest.
- Putting aside personal and professional interests.

Duty of Obedience

- Staying true to the organization's mission.
- Obeying the law, both public and organizational.



Key Performance Areas



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RATINGS OF PERFORMANCE IN KEY AREAS OF BOARD RESPONSIBILITY

	Area of Board Performance	Average Grade from Executives	Average Grade from Chairs
Strength	Understanding mission	A-	A-
	Financial oversight	B+	B+
Solid Performance	Legal & ethical oversight	B	B+
	Guiding & supporting the chief executive	B	B+
	Level of commitment & involvement	B	B+
	Knowledge of programs	B	B+
	Understanding board roles & responsibilities	B	B
	Thinking strategically as a board	B	B
	Adopting & following a strategic plan	B-	B
	Evaluating the chief executive	B-	B
	Monitoring performance against strategic plan	B-	B
	Challenge Areas	Community-building & outreach	C+
Monitoring legislative & regulatory issues		C	B-
Increasing board diversity		C	C+
Fundraising		C	C+

Poll Question

1. Which ONE of the Ten Roles and Responsibilities does your board do exceptionally well?
2. Which ONE of the Ten Responsibilities is the biggest challenge for your board?

II. The Board Chair's Role

Why You?

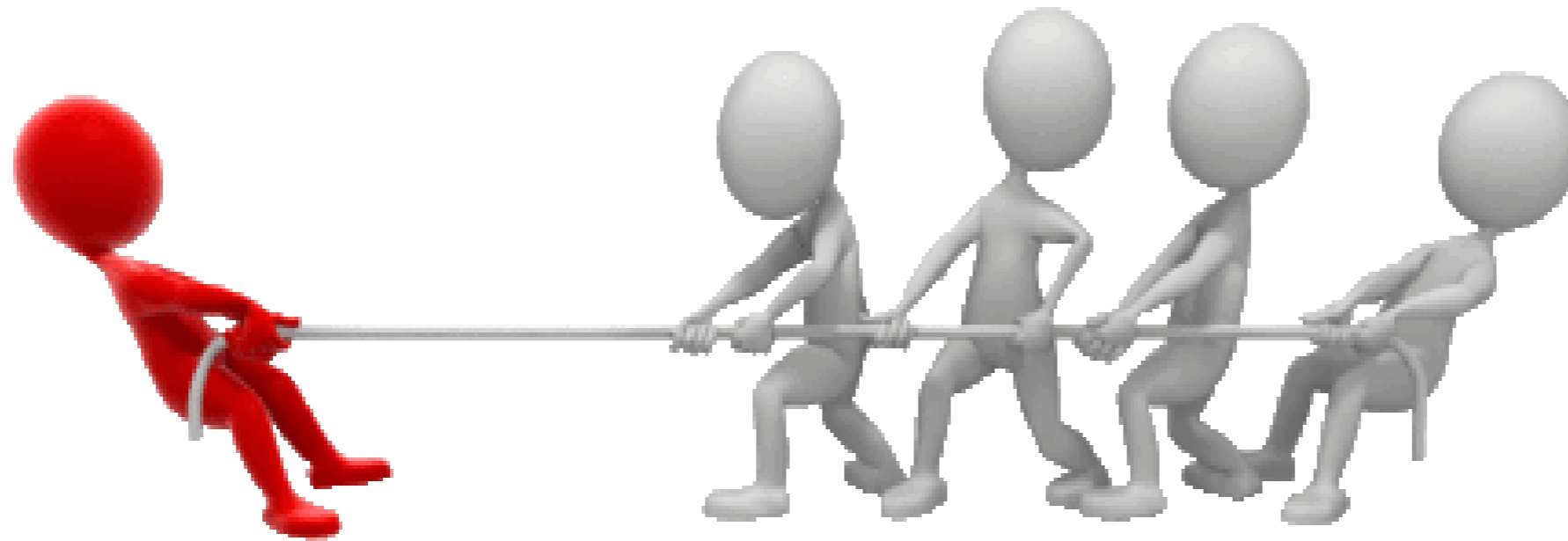


Just Between Us...



Why were you elected chair?

A: You're a Natural Leader



B: You Had Some Free Time



C: Your Excuse for Not Serving Wasn't As Good as the Others



D: You're Passionate about the Mission and Want to Contribute to the Success of the Organization



*“Management is doing things right;
Leadership is doing the right things.”*
Peter Drucker

It Helps to Know the Job



It Helps to Know the Job

Alliance for Nonprofit Management – Voice of Nonprofit Board Chairs' Research

51% indicated that they did nothing specific to prepare to become a board chair

Identified as Top Priorities:

64% Keep the board focused on organization's strategic direction

49% ensure the board fulfills its governance responsibilities

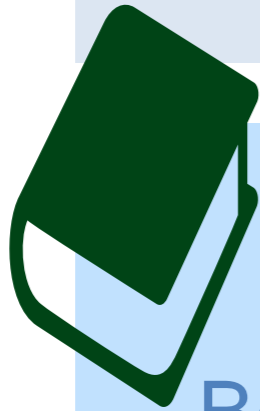
42% preside over and manage board meetings



The difference between
RESPONSIBLE
and **EXCEPTIONAL** boards lies
“ in—
thoughtfulness and intentionality,
action and engagement,
knowledge and
communication.

12 PRINCIPLES OF GOVERNANCE
THAT POWER EXCEPTIONAL BOARDS

Reflections on **Board Leadership**



In the book **Transformational Governance**

Beth Gazley & Katha Kissman identify 3-
leadership positions...

**LEADING
SIDEWAYS**

Board Collective
Team

**LEADING
FORWARD**

Board Chair's
role

**LEADING
UP**

CEO's role

The Board Chair's Key Duties

Board Members

- Ensure everyone carries out roles and responsibilities
- Ensure accountability and effectiveness

Meetings

- Meeting management and effectiveness
- Promote meaningful engagement

Partnership with Executive

Community

- Cultivate relationships
- Serve as ambassadors and advocate for the organization

Board Committees

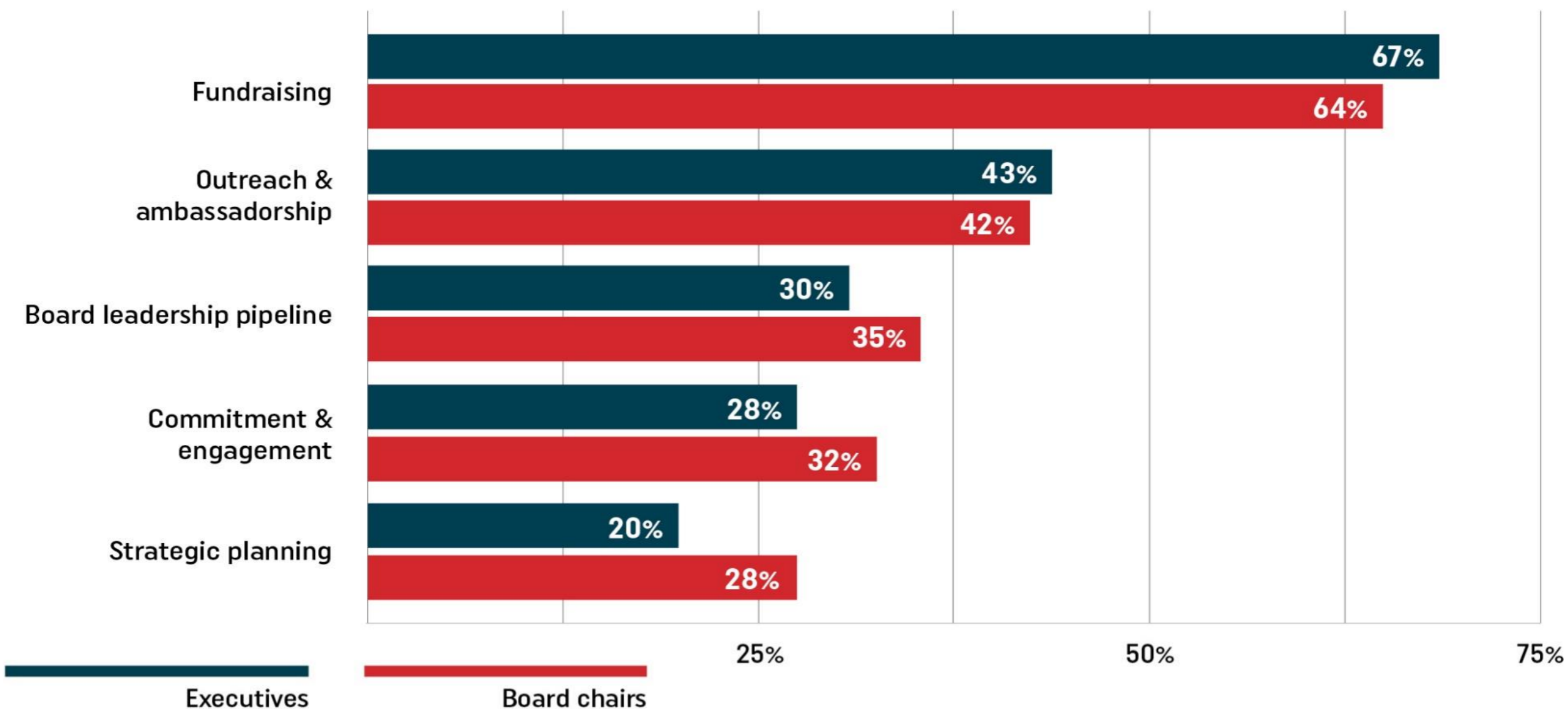
- Ensure strategic alignment and purpose
- Appoint chairs and ensure structure, succession and accountability

Q: What are your biggest challenges in working with this board of directors?



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WHAT ARE THE THREE MOST IMPORTANT AREAS THE BOARD SHOULD ADDRESS TO IMPROVE ITS OWN PERFORMANCE?



LWI- Board Chair and Executive Responses

Ratings of Effective Chairs

- 86% resolve conflict and build consensus
- 84% foster trust
- 88% provide clear expectations for board performance
- 86% frame and discuss strategic questions

Executive Ratings

- 84% forms constructive partnership
- 74% resolves conflicts
- 79% fosters trust
- 72% frames strategic questions
- 63% establishes clear expectations

Poll Question

Which are your leadership strengths?

- Dealing with conflict
- Building consensus
- Setting clear expectations
- Framing and discussing strategic questions
- Fostering Trust

III. The Board Chair-Chief Executive Partnership



Chief Executive's Roles

Manage the organization by planning, coordinating, and implementing the mission in accordance with board policies

Represent the organization in the community

Support the board with strategic information, ideas, perspectives, and connections

Balance

“ Great organizations have board chairs and chief executives who lead and take responsibility on one hand and embrace inclusiveness, delegate, and empower others to have a voice on the other hand – all in the context of serving the organization.”

–The Bottom Line: The Human Factor

The Board Chair/CEO Relationship

Constructive Partnership

Constructive partnership is achieved when exceptional boards become allies with the Chief Executive in pursuit of mission; constructive partnership is characterized by mutual trust, forthrightness, and healthy formal and informal communication.



Partnership Challenges

- Gender
- Age
- Ethnic, cultural, religious background
- Tenure of chief executive
- Personality type
- Assertiveness or lack thereof
- Degree of confidence in oneself and in the other person
- Fear of making waves or hurting feelings
- Feeling overwhelmed
- Feeling uncertain or intimidated

Consider this – LWI 2017:

46 percent of executives report they are “extremely satisfied” in their position, and an additional 41 percent report they are “moderately satisfied.

Boards-key to executive personal satisfaction

Executive's rate boards impact on personal satisfaction

- 30% - extremely positive impact
- 77% rate that they are extremely positive
- 35%- moderately positive
- 16% - negative impact

Consider this – LWI 2017:

HOW WOULD YOU RATE YOUR BOARD'S
PERFORMANCE IN PROVIDING
GUIDANCE & SUPPORT TO THE CEO?

Board Chair -39% (A), 41% (B)

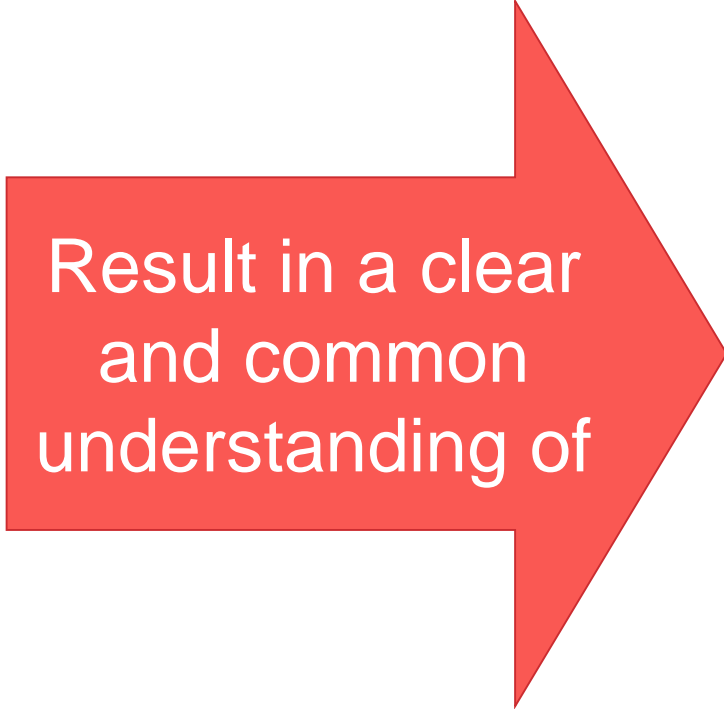
Executives – 27% (A), 38% (B)

Creating a Positive Relationship

1. **Communicate** openly and often, good news and bad
Establish regular times to talk and periodic face-to-face meetings
2. Address concerns and sensitive issues - immediately
3. Keep egos in check
4. Be considerate and **respectful**
5. Clarify **expectations** about roles and responsibilities
6. Acknowledge each other's contributions to the work and partnership

Constructive Partnership

- Common expectations
- Cooperative planning
- Open & honest communication
- Respect
- Mutual evaluation



Result in a clear
and common
understanding of

- Where we are going
- Why we are going there
- How we will get there
- How we will know we have arrived

Cultivating the Board Chair/CEO Relationship

1. Practice self-management
2. Avoid self-defeating habits
3. Maintain roles and responsibilities
 - Flexibility
4. Create and maintain a relationship with each other



Chair-Executive Partnership Matters

“Well-led nonprofits tend to have high-performing boards, leadership succession plans, and strong partnerships between the chief executive and board members.”

— **Navigating the Organizational Lifecycle**

BoardSource © 2006

Expectations- Executive's Role

- Liaison between board and staff
- Positive attitude about the partnership
- Identification of issues for board attention
- Strategic information that assists the board in governing
- Recommendations for action before & after the meeting
- No surprises!
- Accept accountability

Poll Question

Board Chair – Executive Communication

1. How frequently is there informal conversations?
2. What is your pattern of planned formal meetings?

IV. Communication and Facilitation Skills



Reframing the Work of the Board



Generative

Find, Frame & Focus

Board Chair's Role

- Leader of the board & corp organization
- Facilitator of Board Meetings: board structure-operations, accountability
- Board member engagement and deliberation
- Partnership with Executive
- Accountability - ensuring Executive Performance Management Process- Performance Goals, Evaluation and Compensation & Benefits



Poll Question: Running Great Board Meetings

Questions:

1 thing that characterizes a great board meeting?

1 thing that detracts from an effective board meeting?



Meetings-Best Practices

Planning and Preparation

- Annual board meeting calendar
- Pre-reading materials and reports
- Consent agenda
- Dashboards
- Experts, guests, facilitators

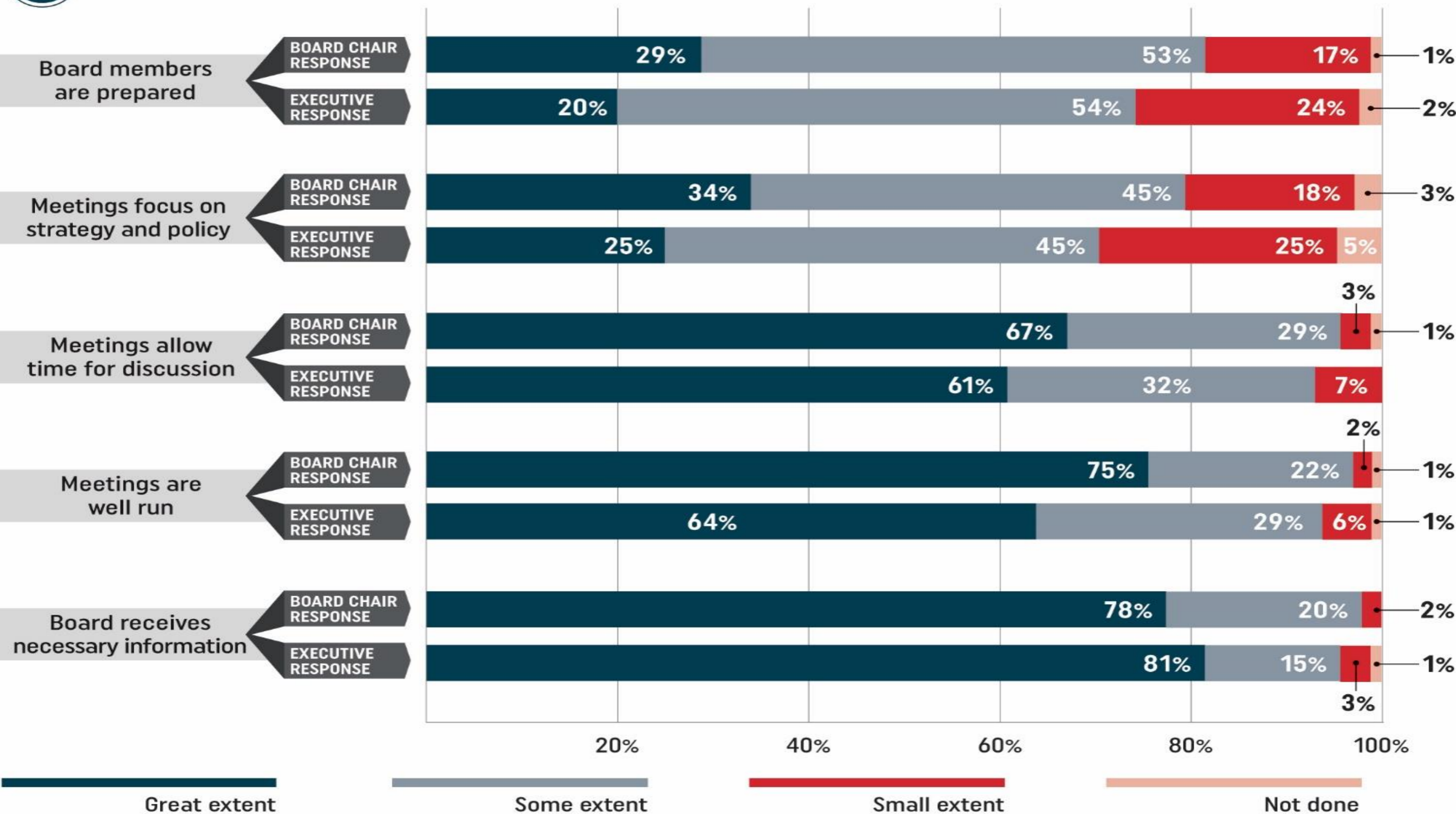


In the Boardroom

- Foster boards' ability to seek more information, question assumptions, and challenge conclusions
- Draw on multiple sources of information and perspectives
- All voices are heard
- Use Executive Sessions
- Periodically evaluate meetings

Structuring Quality Board Meetings

FIG C8 INDICATORS OF BOARD MEETING QUALITY



Constructive Board Meetings

- Invite participation.
- Focus agendas on strategic, performance and fiduciary issues.
- Develop effective communication processes.
- Set aside time for discussion.
- Use committees constructively.
- Solicit feedback.



Engaging Board Members

- Cultivate one-on-one relationships.
- Strengthen board communications.
- Hold periodic board retreats.
- Schedule comprehensive board assessments, which includes board feedback and action items.
- Delegate leadership responsibilities to board members.
- Be available.



Questions?





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Assignment

Opportunities for Board Development and Reflection

(uploaded to Board Chair site)

Thanks – see you next week
September 18, 2018



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