

Nonprofit Board Chairs Leadership Certificate Series Week #2 February 14, 2017



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2

Week Two Agenda

- I. Board Development
- II. Generative Thinking and Decision Making
- III. Board Work Structures

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It Starts with Commitment

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BoardSource 2014 Leading With Intent

The CEO version of the survey was completed by **846 chief executives**. Chief executives who completed the survey were asked to provide contact information for their board chair. Contact information for board chairs was provided for 664 chief executives, and **246 board chairs** completed the board chair survey. All surveys were completed between May 20, 2014 and July 14, 2014, and measured board practices that were current at the time of the survey.

Board report card

	CEO	Chair
 Responsibility		
Mission	A-	A-
 Financial Oversight	B+	B+
Legal/Ethical Oversight	B+	B+
CEO Support	B	B+
Strategy	B-	B
CEO Evaluation	B-	B
Monitors Performance	B-	B
 Community Relations	C+	C+
Board Composition	C	C+
Fundraising	C	C

Boards earn a (B-) average

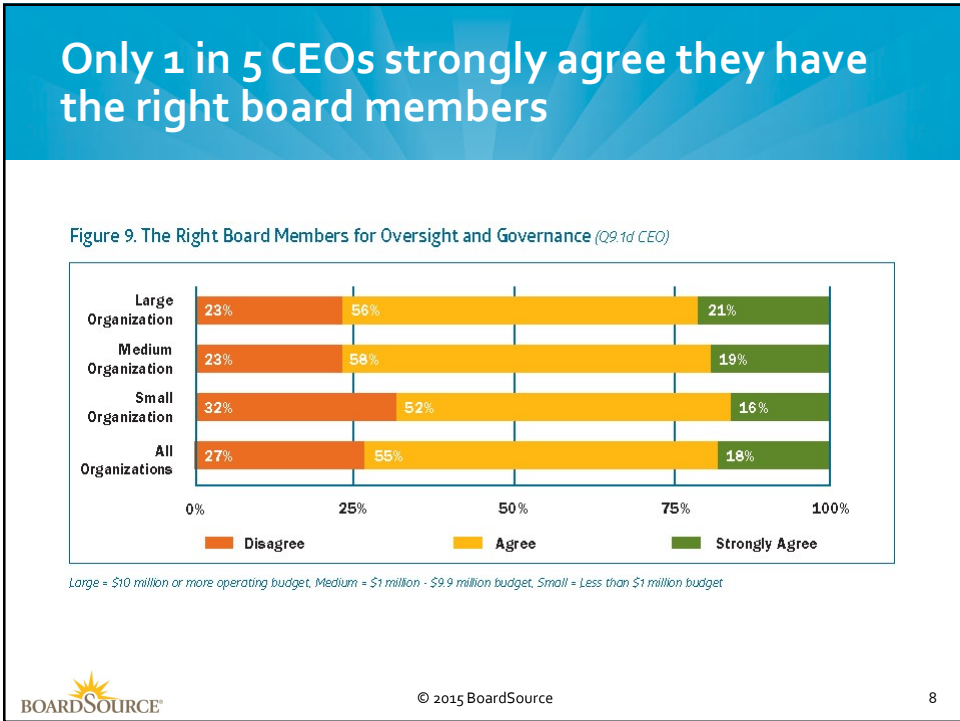


The Who, What, and How of Board Performance



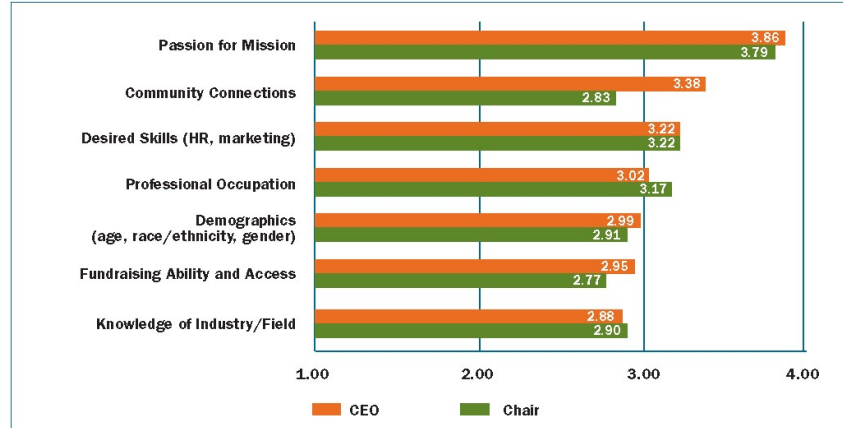
 <p>PEOPLE (WHO) Board Composition & Structure</p> <p>Composition</p> <ul style="list-style-type: none"> • Size & Terms • Composition/Diversity & Inclusion • Recruitment & Elections <p>Structures</p> <ul style="list-style-type: none"> • Committees • Meetings 	 <p>WORK (WHAT) Board Responsibility</p> <p>Strategy & Programs</p> <ul style="list-style-type: none"> • Mission, Vision, Programs • Strategic Planning • Strategic Issues <p>Ambassadorship</p> <ul style="list-style-type: none"> • Advocacy & Public Policy • Fundraising <p>Financial Oversight & Accountability</p> <ul style="list-style-type: none"> • Financial Oversight & Sustainability 	 <p>CULTURE (HOW) Leadership & Board Dynamics</p> <p>Board Development</p> <ul style="list-style-type: none"> • Role Clarity • Orientation • Assessment <p>Board Dynamics</p> <ul style="list-style-type: none"> • Chair & Board Succession Planning • Group Dynamics & Board Member Engagement <p>CEO Relations</p> <ul style="list-style-type: none"> • Constructive Partnership • Evaluation & Compensation • CEO Succession Planning
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58% say it is difficult to find people to serve on the board (up from 44% in 2012)

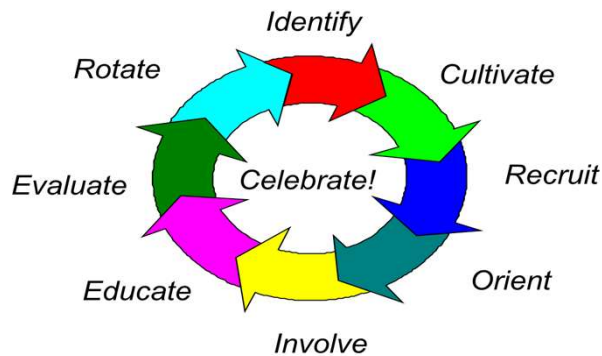
Figure 10. Importance of Criteria for Recruiting Board Members (Q4.3 CEO; Q2.3 Chair)



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9

Strategic Board Building

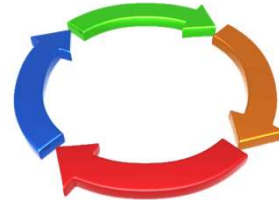


10



Rotate & Celebrate Board Members

- Establish appropriate board size.
- Maintain a composition matrix
- Establish term lengths and term limits, and enforce them!
- Respectfully remove inactive members.
- Elect officers on skills and engagement.
- Celebrate accomplishments & individual contributions – to the board, the organization, and the community



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Recruiting -Board Composition

Inventory

- Demographics (age, ethnicity, gender)
- Passion for mission
- Experiences & interests
- Networks, community connections, and spheres of influence
- Specific knowledge, expertise or occupation (e.g., HR, legal, marketing)
- Ability/willingness to raise money, to contribute

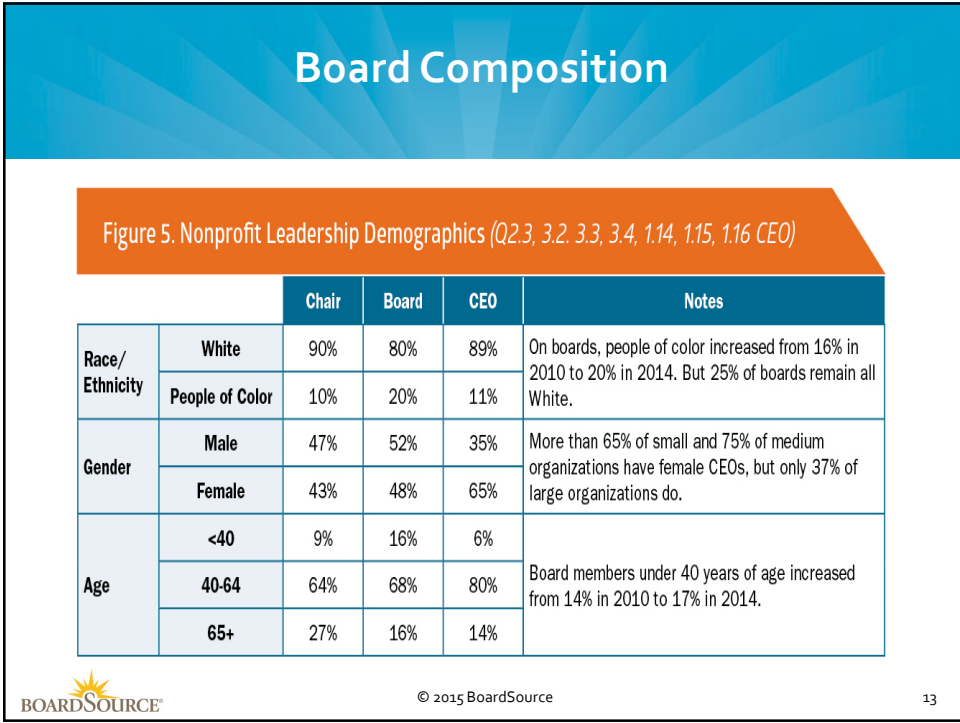
Or, as Greatest Group Asset

- Intellectual Working Capital
- Reputational Working Capital
- Political Working Capital
- Social Working Capital




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Diversity & Inclusion Matters



Diverse organizations are more likely to attract more diverse donors.


Best boards harness a variety of skills, perspectives, backgrounds and resources to meet challenges.

Heterogeneity promotes creativity and innovation.


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Board Development: Chair's Role

- Your Board should be stronger at end of your term than at beginning.
- You make this happen through getting the right people and preparing them for success.





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The Board Chair Sets the Tone

Figure 30: Board Chair Report Card from CEOs (*Q9.3 CEO*)

How would you grade the leadership of the current board chair in the following areas?	Grade			
	A	B	C	D/F
Cultivates a productive, constructive partnership with the CEO	55%	24%	14%	7%
Fosters an environment that builds trust	42%	33%	19%	6%
Is able to resolve conflict, build consensus, and reach compromise	33%	33%	25%	9%
Encourages board to frame and discuss strategic questions	34%	29%	25%	12%
Establishes clear expectations of board service	23%	34%	27%	15%


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Assign Responsibility for Board Development

Create a Governance Committee charged with ensuring:

- Regular infusion of new talent- maintain a composition matrix.
- Recommendations to strengthen board performance – governance and mission focused education.
- Consideration of the board’s leadership needs and nominating new leaders – succession plan.
- Ensure clarity regarding board member expectations and evaluate – accountability.



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Board Development: Orientation

- Work closely with the CE and the governance committee to plan and present the orientation program- more than one session process.
- Encourage the CE to meet individually with new board members.
- Assign a mentoring plan to support new board members ongoing transition.
- Arrange meetings with the CE and each new board member to discuss their unique interest, skills, professional expertise and ability to contribute.



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Meaningful Work For Board Members

- Keep board members engaged: ensure board members are given meaningful work.
 - Board calendar- meetings and events
 - Board position description- statement of expectations
 - Clear assignments
 - Purposeful committee structure – charters, minutes & reports, annual zero sum committees review,
 - Strategic - generative thinking creates meaningful work – task force, ad hoc committees.

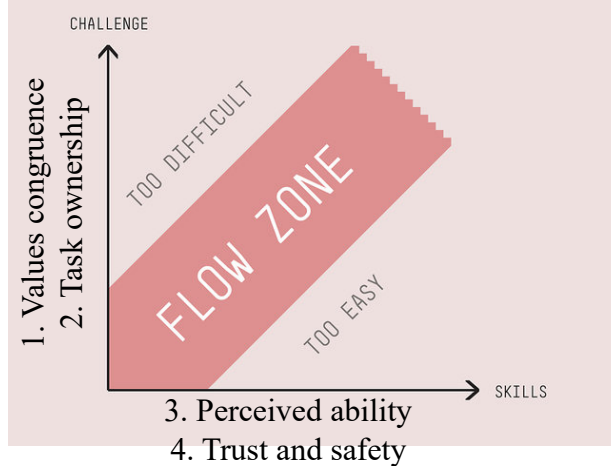


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Balance Meaningful Work with Capabilities

(Flow: The Psychology of Optimal Experience, Mihaly Csikszentmihalyi)



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



10.2 Grade your board's performance in the following areas.	Mean
a. Understanding your organization's mission	3.40
g. Financial oversight	3.22
f. Legal and ethical oversight	3.05
i. Providing guidance and support to the chief executive	2.92
d. Knowledge of your organization's programs	2.81
m. Level of commitment and involvement	2.81
b. Adopting and following a strategic plan	2.70
l. Understanding the board's roles and responsibilities	2.69
c. Thinking strategically as a board	2.69
e. Monitoring organizational performance and impact	2.65
h. Evaluating the chief executive	2.63
k. Community building and outreach	2.27
n. Monitoring legislative and regulatory issues that have the potential to impact the organization.	2.01
o. Increasing the diversity of the board	1.98
j. Fundraising	1.95



II. Generative Thinking & Decision Making



Reframing the Work of the Board

Fiduciary

Strategic

Generative
Find, Frame & Focus

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1 - The Fiduciary Mode

- Ensure legal compliance and fiscal accountability
- Be a steward of the organization's resources
- Evaluate CEO, hold leadership accountable
- Oversee operations
- Monitor results

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2 - The Strategic Mode

- Scan internal & external environments
- Review and modify strategic plan/vision
- Monitor performance via needs assessment, critical success factors, benchmarks, and competitive position
- Rotate and recruit leadership



3 - The Generative Mode

- See current challenges in new light
- Perceive and frame "better" problems and opportunities
- Acknowledge organizations are not always logical or linear
- Discover strategies, priorities, & "realities"
- Suspend the rules of logic to tap intuition and intellectual playfulness
- Encourage robust discourse not quick consensus



It includes recognizing Drivers of Change



More on Generative Governance

Is ...

- Generating insight and understanding about a question, problem, challenge, opportunity, or the environment
- Gaining a sense of the organization's identity – 'our way' of responding
- Problem finding and framing
- Discerning and sense-making
- Deliberating Differently

Is not...

- Synonymous with bold ideas, radical departures, or pie-in-the-sky planning
- About wholesale changes in core mission
- Clever solutions to operational problems
- To be used in lieu of fiduciary and strategic thinking
- The answer to every question or crisis

© 2015 Cathy Trower, 2015 BLF session: Generative Governance: Art, Science, Impact.



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28

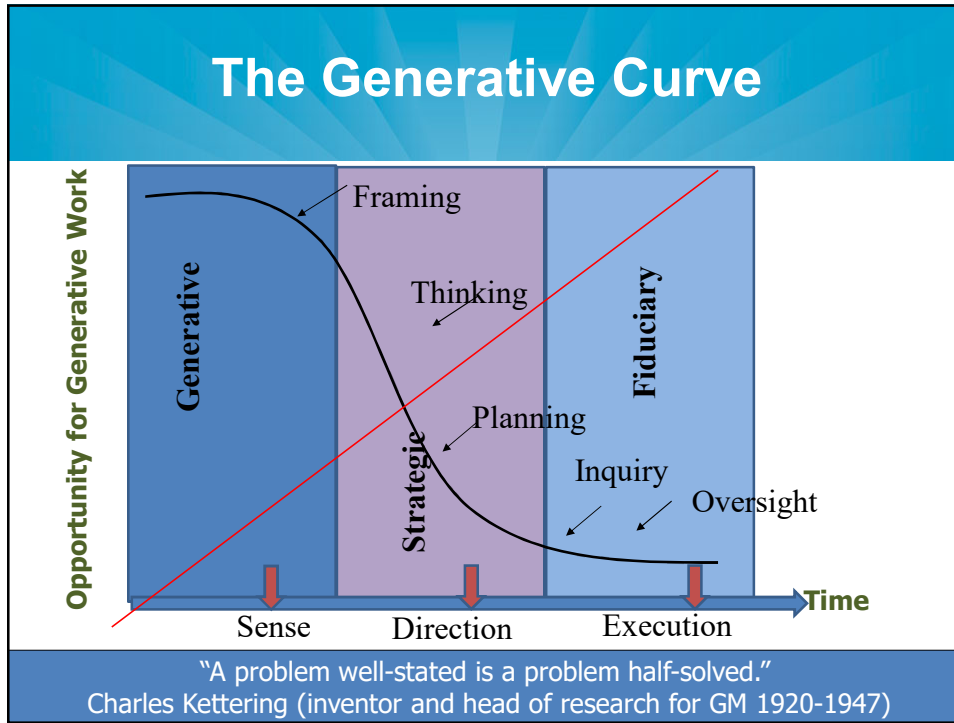
What's Different			
Attribute	Generative Mode	Strategic Mode	Fiduciary Mode
Board's principal role	Sense maker	Strategist	Sentinel
Problems are to be...	Framed	Solved	Measured
Key question	What's the key question?	What's the plan?	What's wrong?
Deliberative process	Robust & playful	Empirical & logical	Parliamentary & orderly
Way of deciding	Grappling & discerning	Group process & consensus	Protocol & voting
Performance metrics	Signs of learning and discerning	Strategic indicators, benchmarking	Facts, figures, finances, reports

Mental Maps

Frame the Big Issues (within the big issues)

The image shows six glasses of water on a wooden surface, each with a white label representing a different professional's perspective on the same glass of water. The labels are: ENGINEER: 'The glass is twice as big as it needs to be.'; PESSIMIST: 'The glass is half empty.'; OPTIMIST: 'The glass is half full.'; ACCOUNTANT: 'Does the glass really hold all that water?'; QUANTUM PHYSICIST: 'The glass has a 50% probability of holding water.'; PHILOSOPHER: 'If no-one looks at the glass, who's to say how full or empty it is?'

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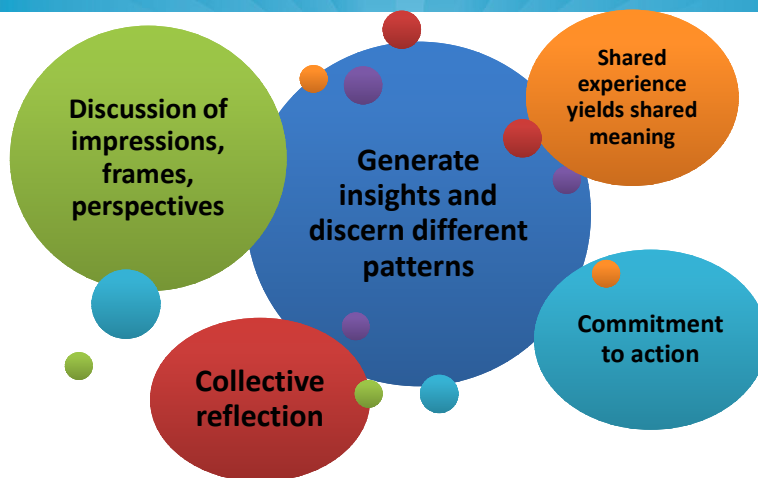
Getting to Governance as Leadership



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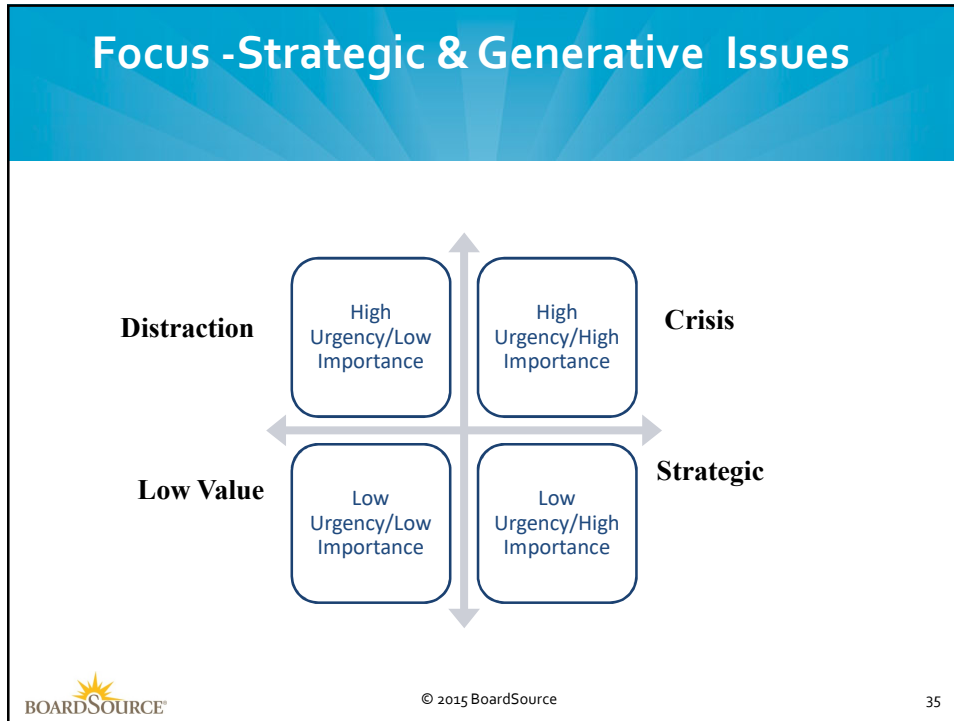
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Generative Boundary Work



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34

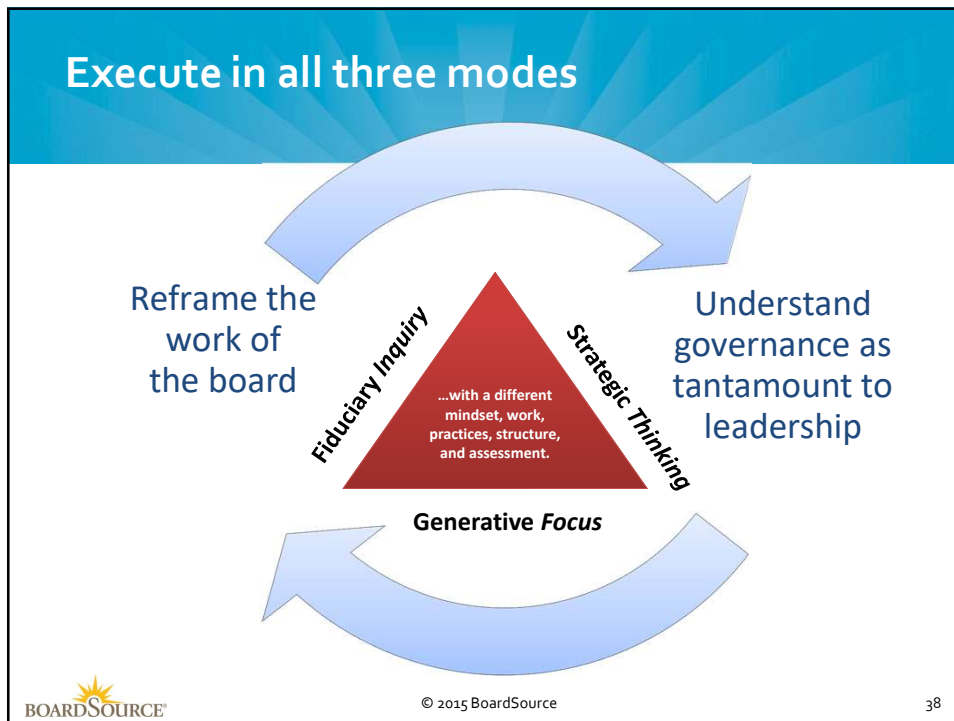


Deliberate Differently - strategies



- Silent starts,
- 1-minute memos
- Counterpoints,
- Role plays Surveys & Prep activities
- Small Breakouts & Discussions
 - Catalytic questions
 - Retrospective thinking
 - Dominant narratives
 - Future perfect history


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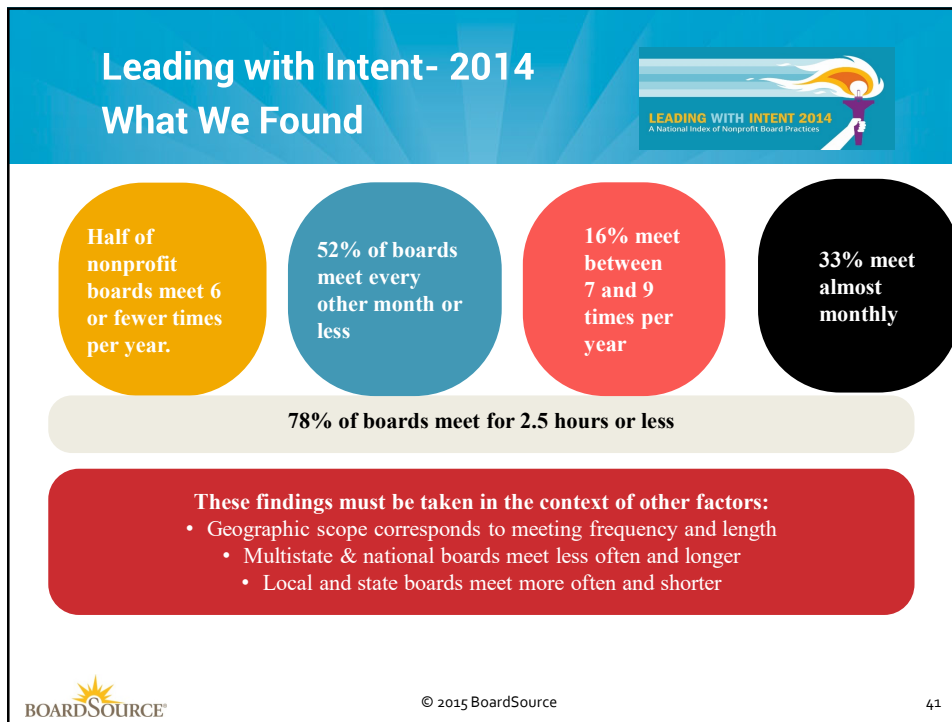




Leading With Intent

	All	Small	Medium	Large	Charity	Associa- tion
	n=851	n=311	n=417	n=116	n=702	n=71
Average board size	15.3	13.7	15.6	18.6	15.4	15.1
3-year terms for board members	63%	62%	65%	65%	66%	51%
Limit consecutive terms for board members	71%	67%	74%	72%	71%	72%
Limit board members to 2 or 3 consecutive terms	62%	60%	65%	56%	64%	58%
CEO as a voting member of the board	12%	13%	9%	21%	12%	17%

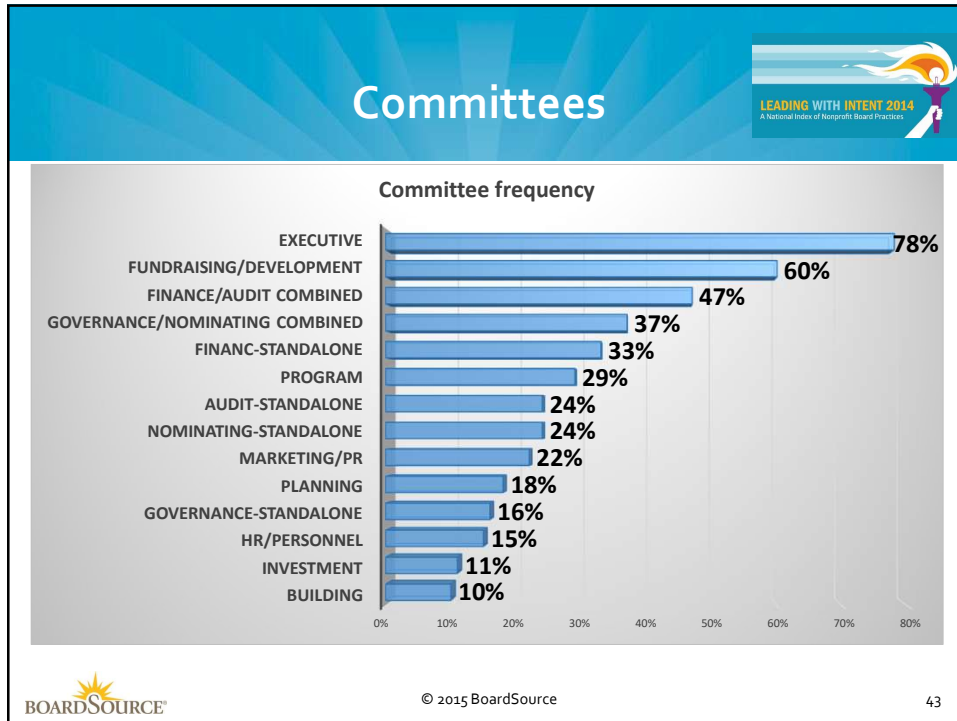

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40



Committees--All Groups Are Not Equal


- Board Standing Committees
 - Responsible for permanent tasks
- Ad hoc committees
 - Responsible for tasks with a long or uncertain timeline, should be related to the strategic direction
- Task forces
 - Responsible for very specific tasks that can be accomplished within a short time frame

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- ## Effective Committees
1. Zero-based Committees (fewer)! vs. Task Forces?
 2. Streamline Officers/Committee Chairs
 3. Approve Written Committee Charters, clear expectations/charges from Board
 - Investigate issues, frame, and identify pros/cons
 - Develop proposal(s)/policy(s) for board action
 - Implement decisions as delegated
 4. Advanced Preparation & Field Work
 5. Action Agendas & Meeting Evaluations
 6. Total Participation with enough Time
 7. Combine Committees & Board Meeting
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Executive Committee




- Cannot replace the full board (*or meet regularly?*)
- Reports to and is accountable to the full board (*reports promptly?*)
- (*Limited*) Role should be defined in the by-laws
- Should not marginalize board members

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Effective Meetings Focus on Strategy Discussions

Everyone's Good Nonprofit, Board Meeting Agenda

- I. Call to order, welcome, overview of Agenda (2 minutes)
- II. Consent Agenda
- III. Strategic Thinking SAMPLE:
 - I. How to get the right people on the bus for new revenue strategies?
 - II. SAMPLE: How to better use community collaborations to fulfill mission?
 - III. SAMPLE: What will it mean to govern differently as we grow and expand staff?
- IV. Committee Work
 - I. Finance Committee: New investment policy
 - II. Governance Committee: Characteristics of new board members?
- V. Mission Moment
- VI. Routine Executive Session
- VII. Board Meeting Evaluation & Adjournment

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Better Board Meetings



1. establish rules of conduct
2. require advance reading
3. stay on topic
4. use consent agendas
5. focus on decision-making
6. involve all board members
7. make sure facilitator/chair remains neutral
8. hold meetings at suitable site
9. consider the seating arrangements
10. encourage relationship building
11. keep finances understandable
12. focus on the mission
13. make the most of the minutes
14. let board members learn from each other
15. have fun
16. encourage reflection
17. encourage good attendance
18. get help when you need it
19. encourage open communication
20. join rank/confidentiality
21. use executive sessions



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47

Questions?



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48

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49