Nonprofit Board Chairs Leadership Series

Week 2
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Your Team

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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

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Week Two Agenda

I. Board Development

II. Generative Thinking and Decision Making

III. Board Work Structures

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I. Board Development

Boards *Matter*

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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

INTENTIONAL GOVERNANCE PRACTICES
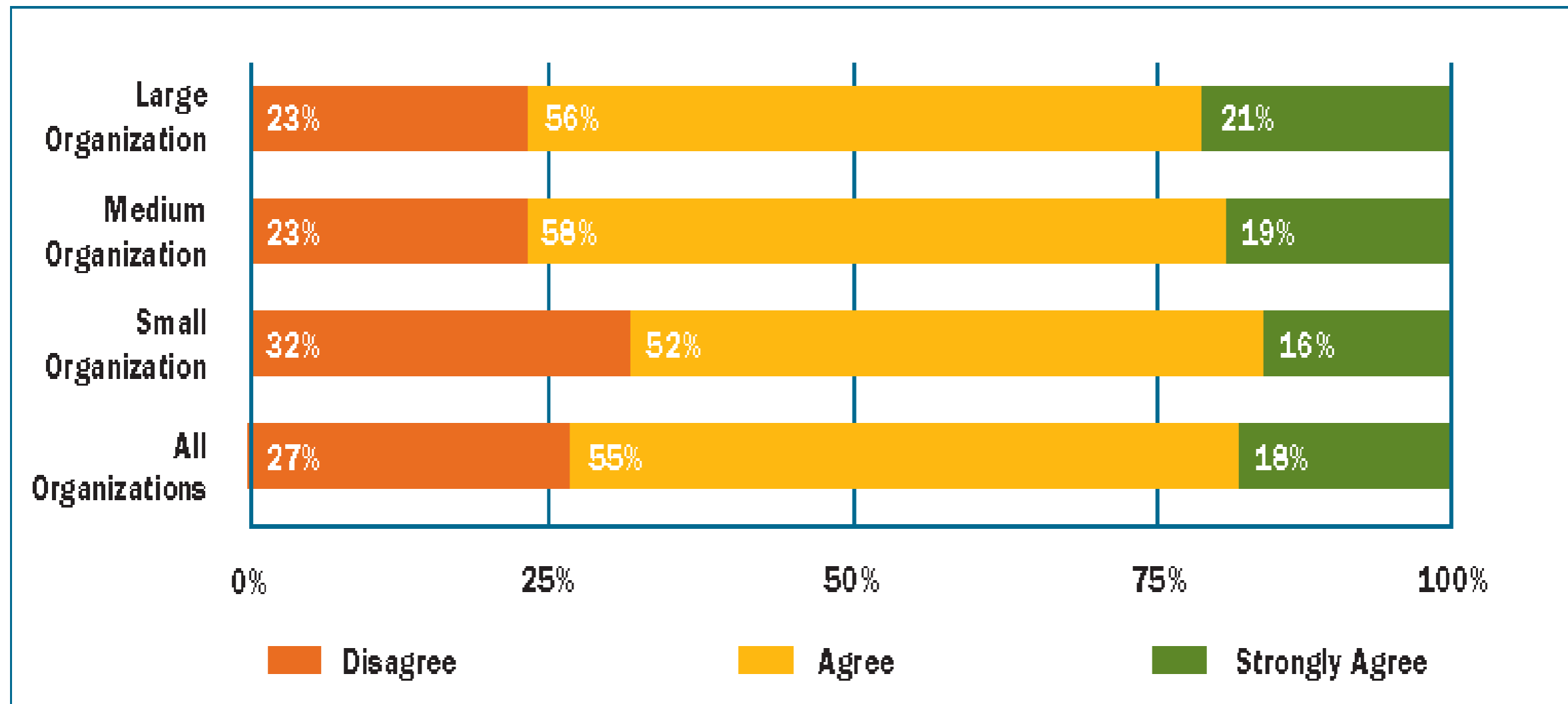
Board Revitalization & Composition

Board Structures & Practices – *"new work"*

Designing Board Meetings that Matter

Ensuring Board Involvement that makes a difference

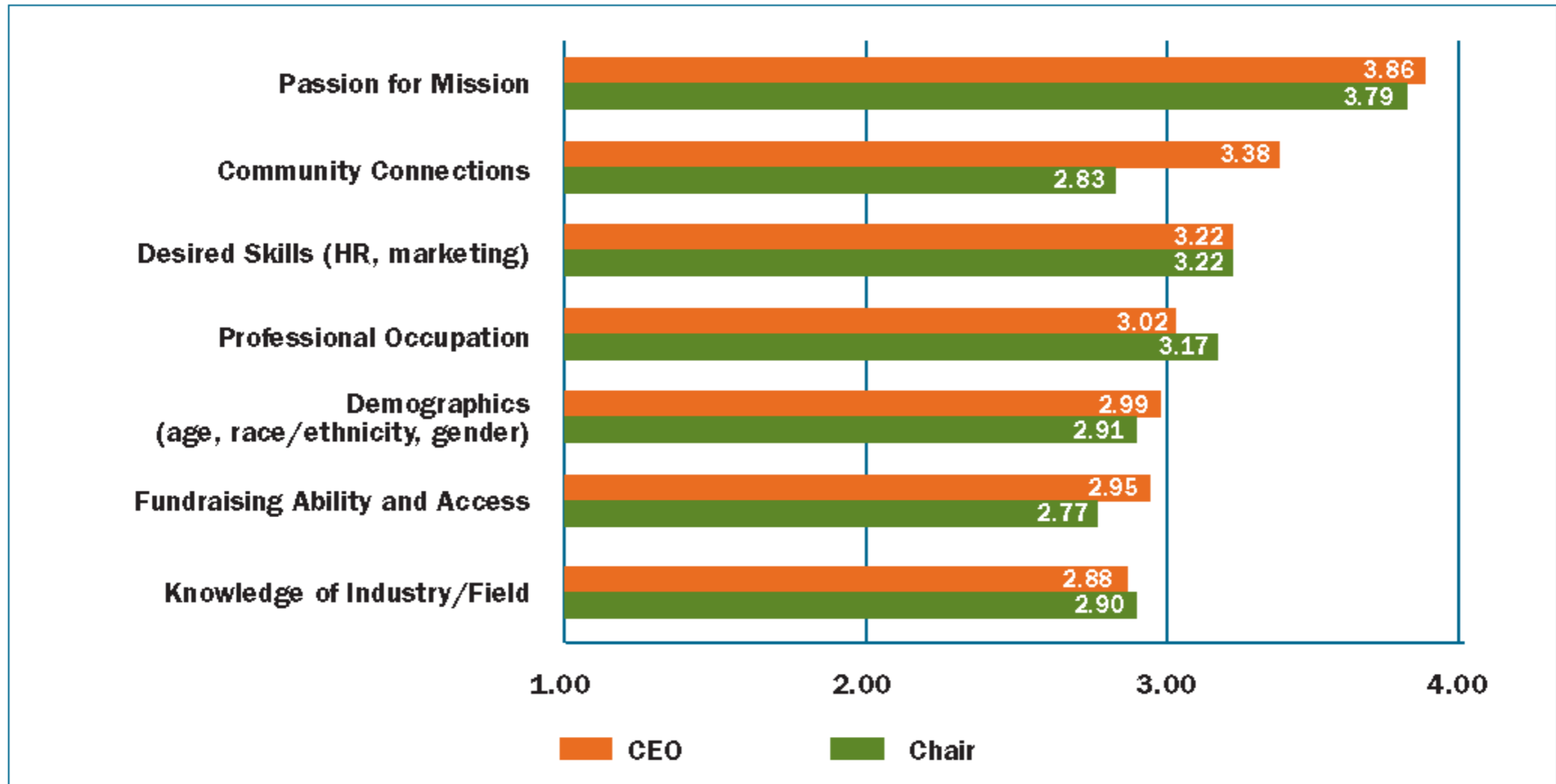BoardSource®

Only 1 in 5 CEOs Strongly Agree They Have the Right Board Members

Figure 9. The Right Board Members for Oversight and Governance *(Q9.1d CEO)*

Organization	Disagree	Agree	Strongly Agree
Large Organization	23%	56%	21%
Medium Organization	23%	58%	19%
Small Organization	32%	52%	16%
All Organizations	27%	55%	18%

Legend: ■ Disagree ■ Agree ■ Strongly Agree

Large = $10 million or more operating budget, Medium = $1 million - $9.9 million budget, Small = Less than $1 million budget

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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)*

Criteria	CEO	Chair
Passion for Mission	3.86	3.79
Community Connections	3.38	2.83
Desired Skills (HR, marketing)	3.22	3.22
Professional Occupation	3.02	3.17
Demographics (age, race/ethnicity, gender)	2.99	2.91
Fundraising Ability and Access	2.95	2.77
Knowledge of Industry/Field	2.88	2.90

Board Development: Chair's Role

- Your Board should be stronger at end of your term

- You make this happen by recruiting 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 CEOs)

How would you grade the leadership of the current board chair in the following areas?	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

- Recommendations to strengthen board performance

- Consideration of the board's leadership needs and nominating new leaders

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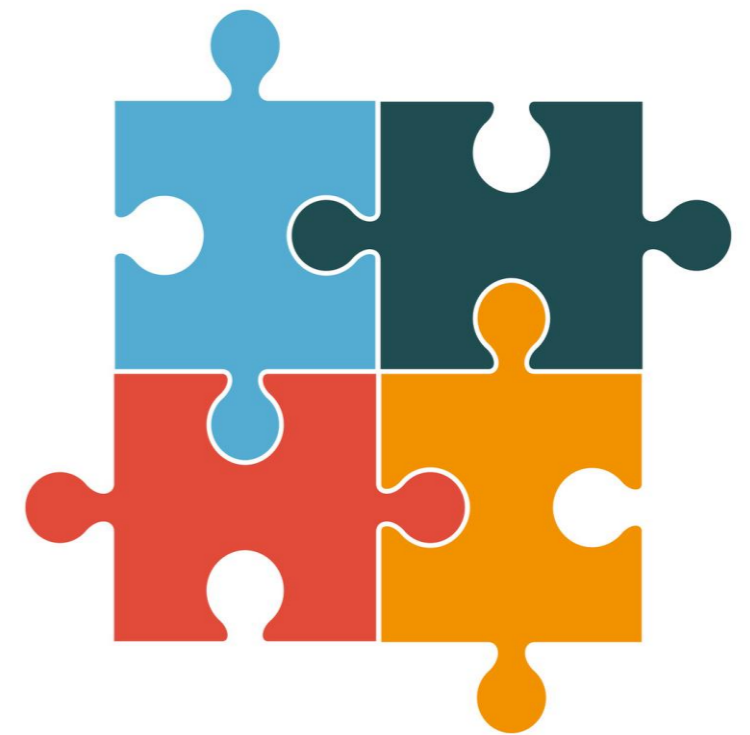# Nominating vs. Governance Committee

Nominating
- Short-term
- Narrow focus (Elections, Officers)
- Self-contained

Governance
- Ongoing
- Holistic focus (Composition, Policies and Practices)
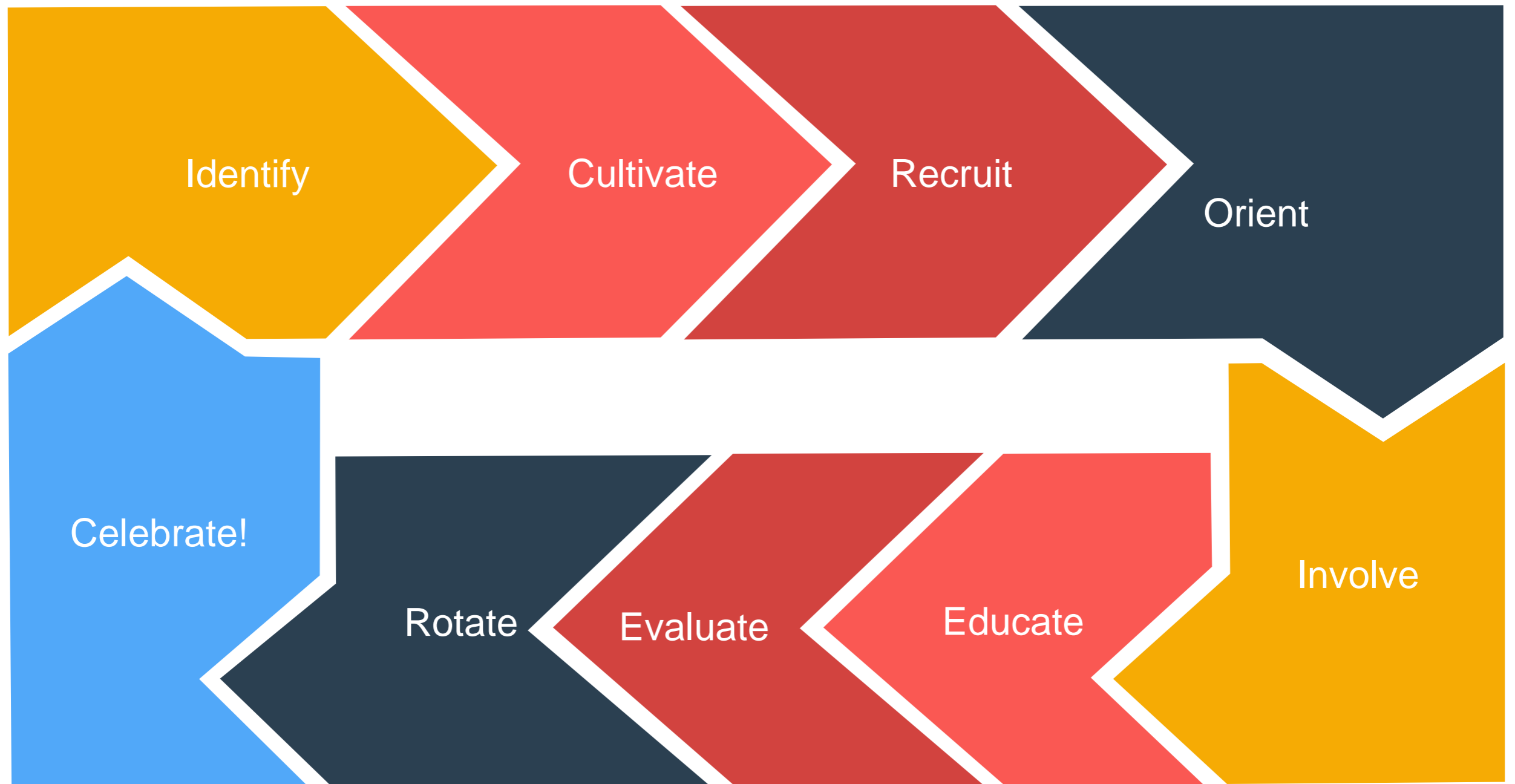- Involves others

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Governance Committee Charter

1. Board Roles and Responsibilities

2. Board Composition

3. Board Knowledge
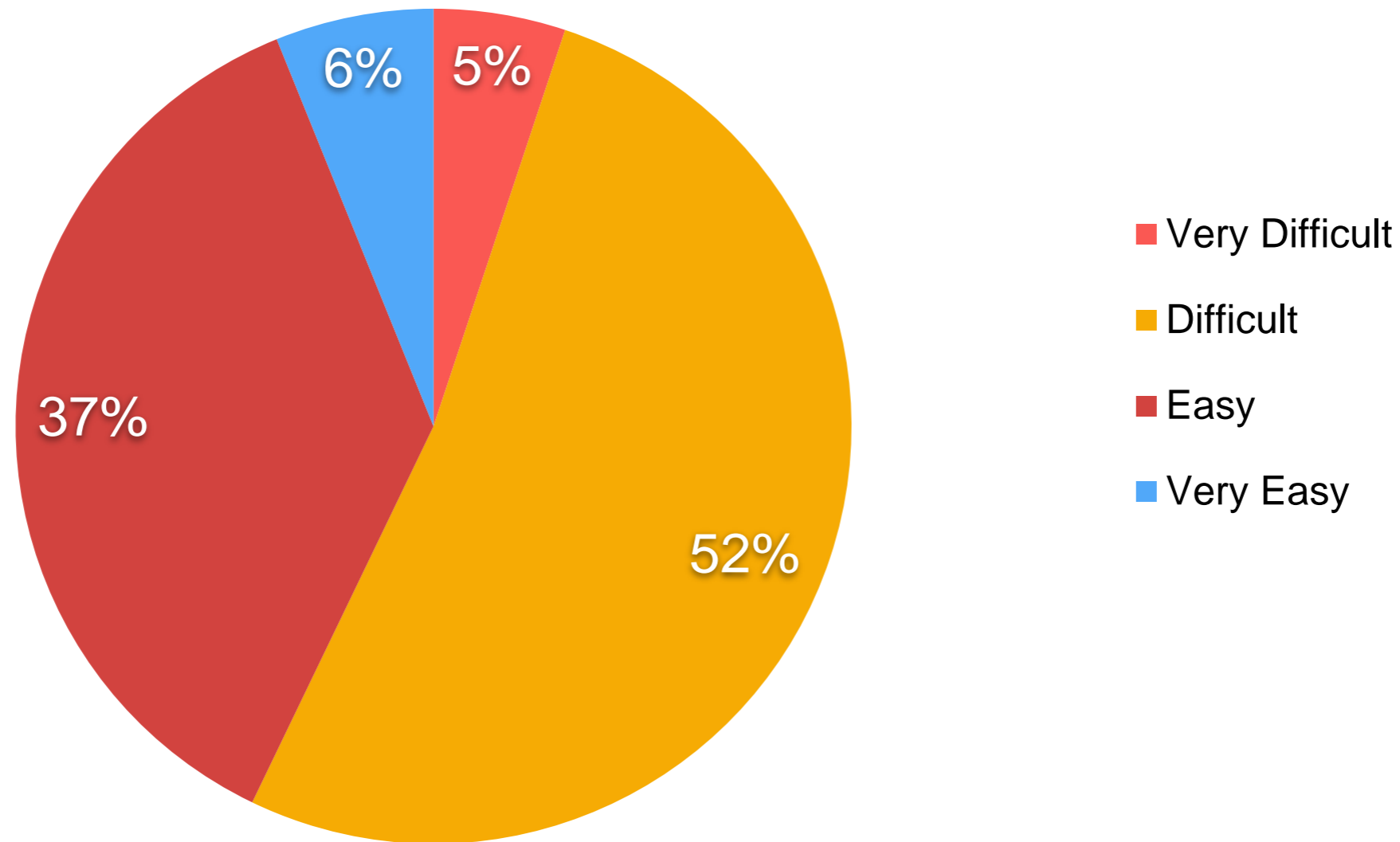
4. Board Effectiveness

5. Board Leadership

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Nine Steps to Strengthening Your Board

Identify

Cultivate

Recruit

Orient

Celebrate!

Rotate

Evaluate

Educate

Involve

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Recruiting New Board Members

Pie chart legend:
- Very Difficult
- Difficult
- Easy
- Very Easy

Chart values: 5%, 6%, 37%, 52%

Source: 2014 BoardSource Nonprofit Governance Index

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Step 1: Identify Board Needs

	Current Members						Prospective Members					
	1	2	3	4	5	6	A	B	C	D	E	F
Age												
19-34												
35-50												
51+												
Race/Ethnicity/Disability												
African American/Black												
Asian/Pacific Islander												
Caucasian												
Hispanic/Latino												
Community Connections												
Religious organizations												
Corporate												
Media												
Political												
Areas of Expertise												
Financial												
Fundraising												
Marketing												
Program focus												

SAMPLE

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Board Development: Orientation

- Work closely with the CE and the governance committee to plan and present the orientation program.

- Encourage the CE to meet individually with new board members.

- Delegate a board member or governance committee to oversee mentoring of new board members.

- Arrange meetings with the CE and each new board member who has a portfolio responsibility.

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Board Development: Keep Boards Fresh

- Rotation within the board

- Ad hoc committees

- Board leadership positions

- Outside assignments

- Rotation off the board

- Term limits

Board Member Job Description

- Make sure all board candidates and new members have a copy of job descriptions for the board and its members

- Board member job descriptions should be clear about expectations for:
    - regular participation in board meetings & fundraising efforts
    - financial contributions
    - conformance with organizational values

Meaningful Work for Board Members

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The Cause of Disengagement:

Is not that people do not know responsibilities, is that they are not given meaningful work

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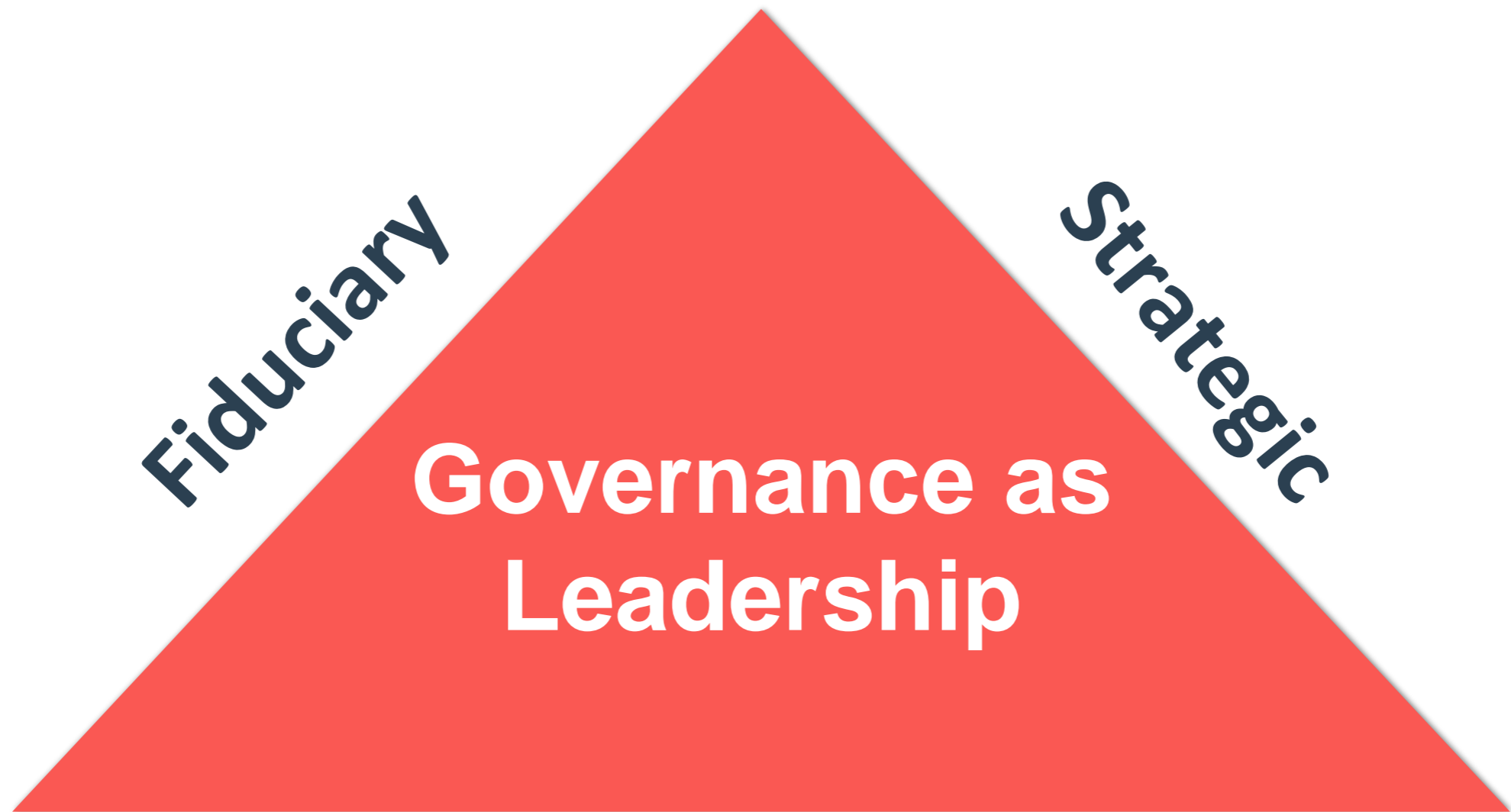<div class="blue-box">

What Creates Meaningful Work:

- Delegation
- Purposeful committee structure and assignments
- Strategic Thinking

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II. Generative Thinking & Decision Making

The Generative Mode

- It's what comes first – It generates the other important decisions about mission and strategy, problem-solving and decision-making.

- Generative thinking produces a sense of what knowledge, information, and data mean.

Often asks:

- What are we about?

- How do we interpret our mission, knowing we cannot do everything?

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The Generative Mode

- It's what comes first – It generates the other important decisions about mission and strategy, problem-solving and decision-making.
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Often asks:

- What are we about?
- How do we interpret our mission, knowing we cannot do everything?

Generative Thinking

A cognitive process for deciding *what* to pay attention to, what it *means*, and what to *do* about it.

The board generates:

- Insight & understanding about a question, problem, challenge, opportunity, or the environment; and

- A sense of the organization's identity in order to effectively respond to the environment, or seize an opportunity that reflects what the organization values.
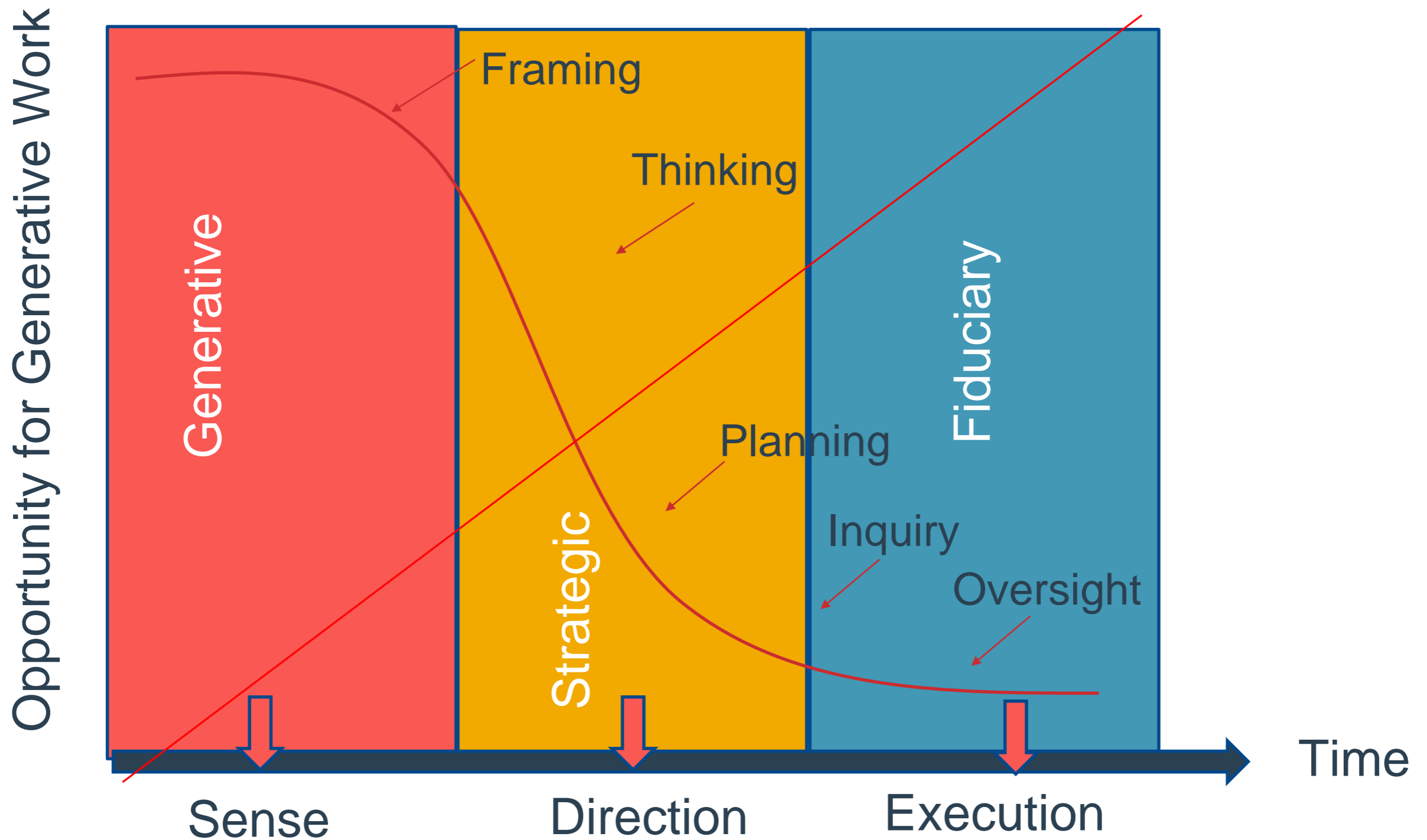
Generative Thinking: Four Scenarios

Trustee Engagement — High / Low

Executive Engagement

High

I.
Governance by Fiat

Trustees Displace
Executives

II.
Governance as Leadership

Trustees and Executives
Collaborate

III.
Governance by Default

Trustees and Executives
Disengage

IV.
Leadership as Governance

Executives Displace
Trustees

Low

Executive Engagement

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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

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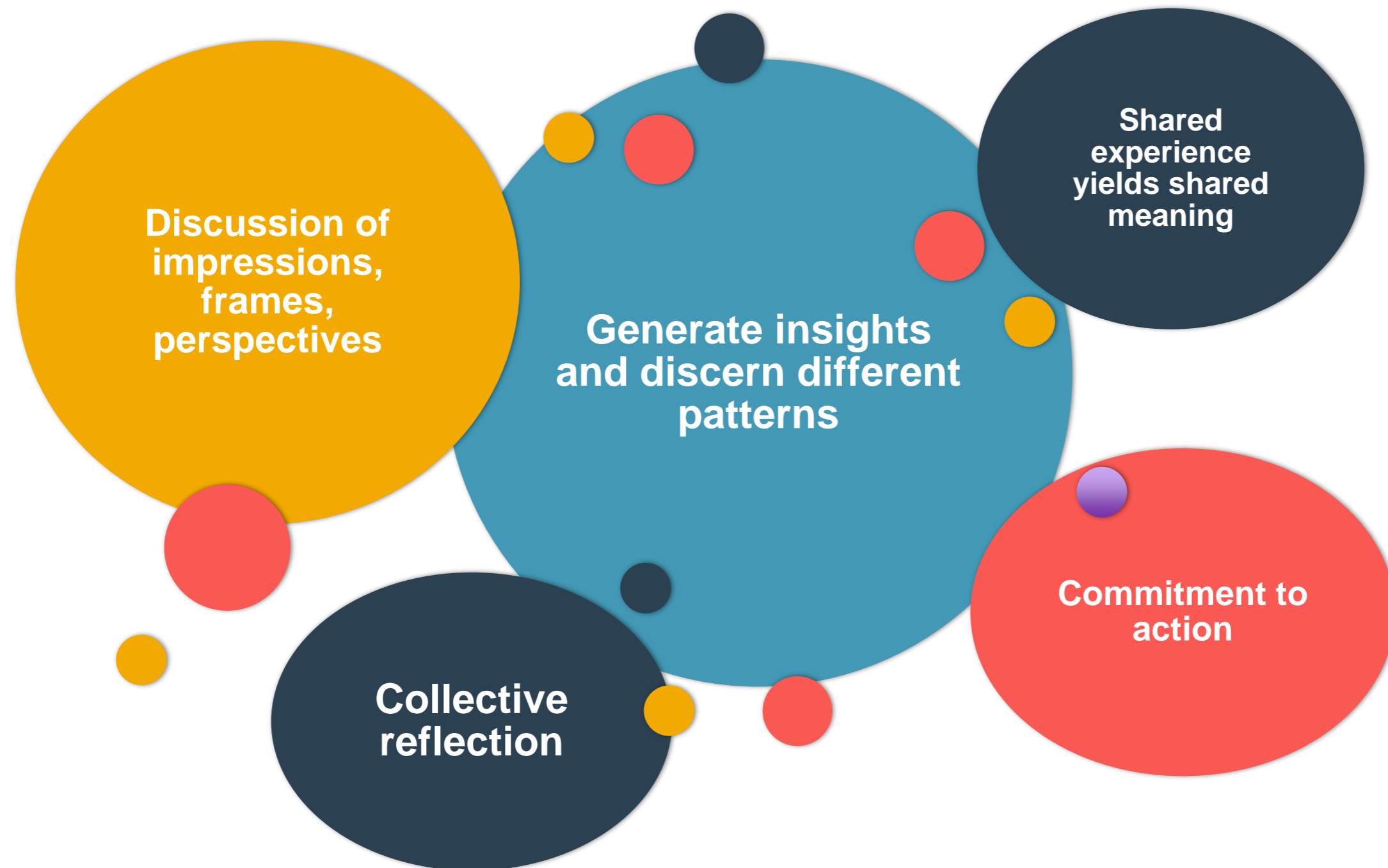# Mental Maps: Frame the Big Issues within the Big Issues

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 need 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?

Generative Opportunities

Saliency

Stakes

Irreversibility

Ambiguous

Strife

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Getting to Governance as Leadership

Generative Boundary Work

Discussion of impressions, frames, perspectives

Generate insights and discern different patterns

Shared experience yields shared meaning

Collective reflection

Commitment to action

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Deliberate Differently
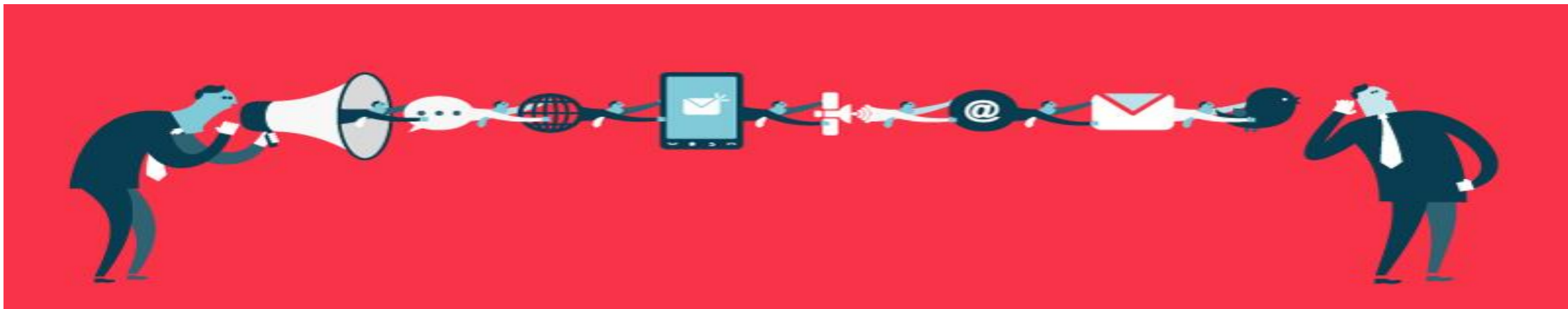
- Silent starts, 1-minute memos

- Counterpoints, Role plays Surveys & Prep activities

- Small Breakouts & Discussions

  - Catalytic questions

  - Retrospective thinking

  - Dominant narratives

  - Future perfect history

Ways to Deliberate Differently

Catalytic Questions

What is the biggest gap between the case we make for support and our actual accomplishments and actions? What does that say about the organization?

Retrospective Thinking

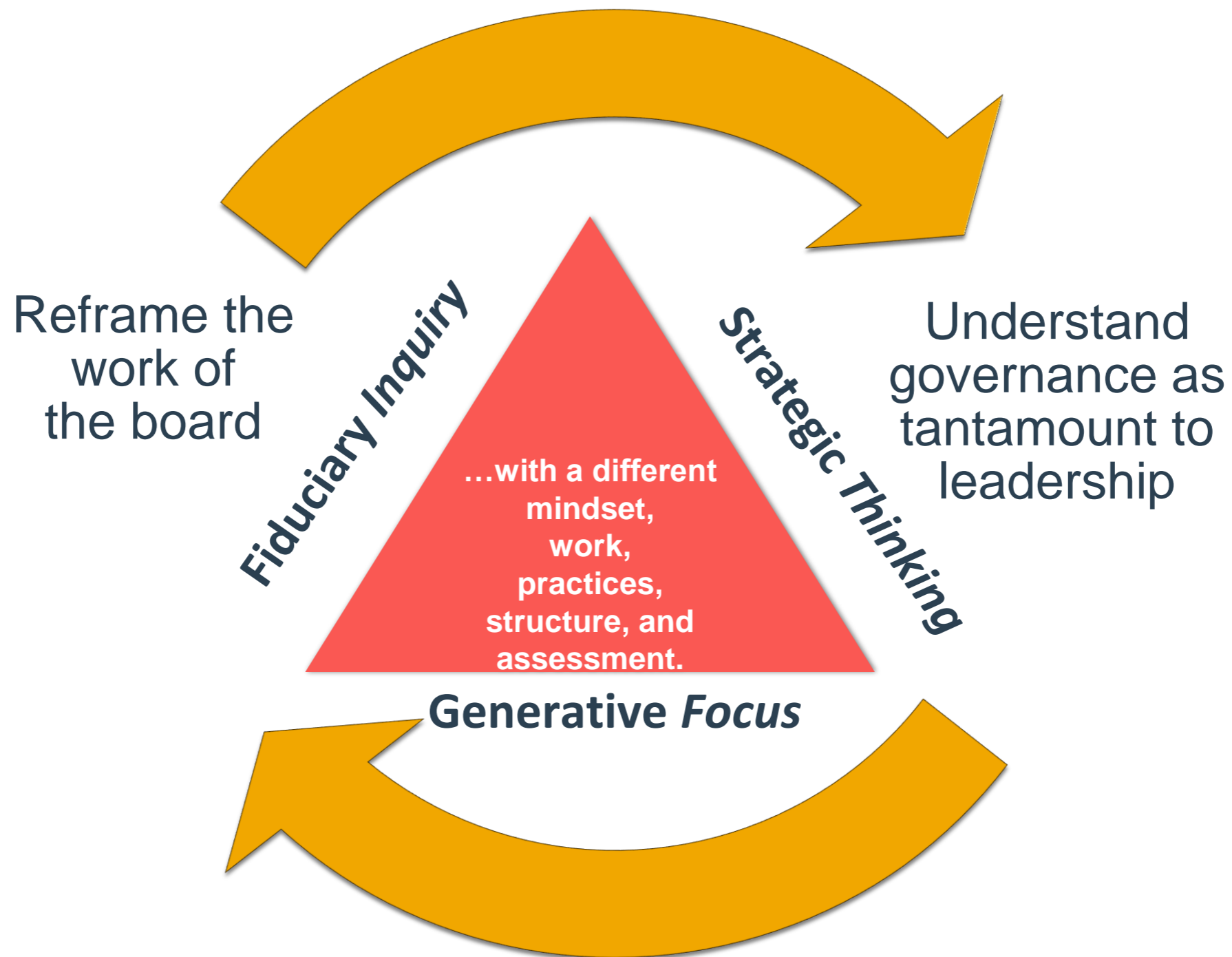What are our organization's successes or setbacks? How and why did they happen? What does this mean to the future?

Future-Perfect History

It is the year 2020 and we have achieved the desired recognition! This achievement could not have happened if this board of directors had not _____.

Dominant Narratives

How do you trace the organization's past trajectory or saga? What does it mean? What does it say about what to do next?

Execute in All Three Modes

Reframe the work of the board

Fiduciary Inquiry

Strategic Thinking

…with a different mindset, work, practices, structure, and assessment.

Generative *Focus*

Understand governance as tantamount to leadership

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III. Board Work Structures

Leading With Intent

Board Structure Questions	All (n=851)	Small (n=311)	Medium (n=417)	Large (n=116)	Charity (n=702)	Association (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 voting member of the board	12%	13%	9%	21%	12%	17%

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

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Executive Sessions

Opportunity for the full board to meet in

private with and without the executive director.

Open Meetings - www.sunshinereview.org

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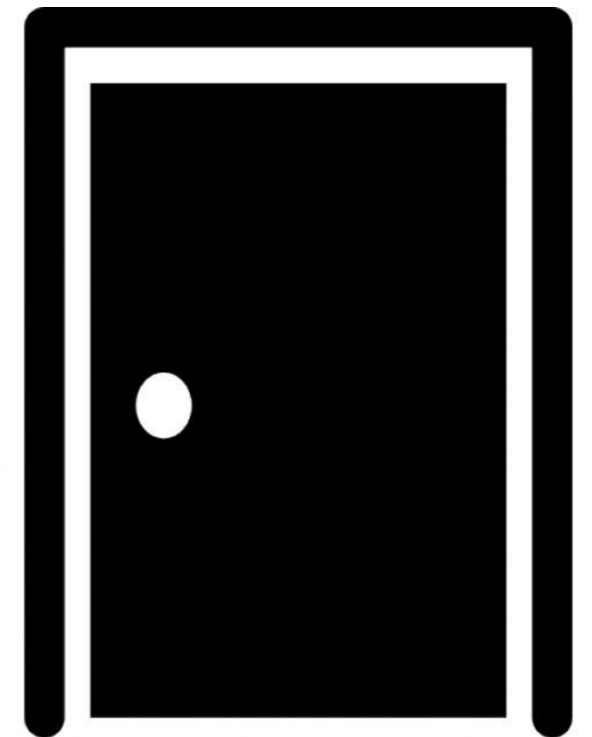
Committees – All Groups are Not Equal

- **Board standing committees**: Permanent tasks

- **Ad hoc committees**: Tasks with a long or uncertain timeline, should be related to the strategic direction

- **Task Force**: Very specific tasks that can be accomplished within a short time frame

- **Advisory groups**: Provide advice and support to the organization and the board but has no legal or formal responsibilities

- **Organizational committees**: Work with staff on issues that are usually part of the staff's responsibility; sometimes report to staff

Zero-Based Committee Structure

- board should periodically review of all of its committees

- Some boards eliminate all committees on a regular basis (every 3 – 5 years) and reconstitute their committee structure

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Questions?

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See you next week!

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