BoardSource®

Empowering Boards. Inspiring Leadership.

Leadership Certificate
for
Nonprofit Board Chairs

A Three-Part Webinar Series

Week One ~ Spring 2018

Welcome to the BoardSource Leadership Certificate for Nonprofit Board Chairs. We are so pleased that you have joined us for this three-part webinar series. As we progress throughout the course, you will be linked to materials both before and during various sessions to help supplement the PowerPoint presentations made each week.

Materials provided in your weekly "readers" will take a variety of formats, including: BoardSource monthly newsletters (e.g. *The Spark!* formerly called *BoardMember*), articles from various sources, individuals, and firms serving the nonprofit sector; relevant blog posts; and BoardSource templates, samples worksheets and tools that you can customize and implement with your board, to name a few. Pre-readings are intentionally kept to a tightly-curated minimum as a means of focusing each week's discussions and to be cognizant of participants' time constraints.

For each reader, we will annotate the types of materials included in the Table of Contents, as below. In all cases, these materials are designed to benefit you and your board. You may elect to put some materials immediately to use while others may come in handy six or twelve months down the line. ***Please use the materials in whichever way most benefits you***. All that we are asking of participants each week is that you set aside some time to review the materials and give some thought to the reflection questions at the end. None of the worksheets or other templates will be collected from participants; they are designed exclusively for your use.

Please, do not hesitate to give us feedback on these materials as we move forward throughout the class. We want to make continuous improvements so that this course can best serve you, your board, and future participants to come.

Sincerely,
Andy Davis, Director of Training

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TEN BASIC RESPONSIBILITIES OF NONPROFIT BOARDS

1. **Determine mission and purposes, and advocate for them.** It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served and advocate for their organization by "standing for their mission" (www.standforyourmission.org).

2. **Select the chief executive.** Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.

3. **Support and evaluate the chief executive.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.

4. **Ensure effective planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.

5. **Monitor, and strengthen programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and monitor their effectiveness.

6. **Ensure adequate financial resources.** One of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission by actively, consistently, and strategically advocating for the organization's mission.

7. **Protect assets and provide proper financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.

8. **Build and sustain a competent board.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate their own performance.

9. **Ensure legal and ethical integrity.** The board is ultimately responsible for adherence to legal standards and ethical norms.

10. **Enhance the organization's public standing.** The board should act as conscientious ambassadors who clearly articulate and advocate for the organization's mission, accomplishments, and goals to the public and garner support from the community.

The Six Competencies of Leaders

1.   They know themselves and they invent themselves.

2.   They know the world and they have a sense of where the culture is going to be, which then allows them to create the future.

3.   They manage change effectively, within and outside of themselves, and equate it with growth.

4.   They get people "on their side" through empathy, persuasion, inspiration, influence, and team building.

5.   They empower their followers by removing obstacles; presenting clear responsibilities, expectations, and accountability; and allowing them the maximum degree of freedom to act.

6.   They develop their skill to cope with the conflict requirements of multiple constituencies.

Ingredients of Leadership

1.   A guiding vision and the strength to persist.

2.   The ability to think and act beyond boundaries.

3.   A passion for the promises of life, combined with a passion for a vocation, a profession, a cause.

4.   Integrity in its four essential elements: self-knowledge, value of the common good above personal aggrandizement or profit, honesty and maturity, and a tendency to think in terms of renewal.

5.   Curiosity, daring, optimism, and the willingness to take risks

6.   Hard work and determination.

From M.M.P. Associates

Constructing A Partnership

By: M. Christine DeVita, President, The Wallace Foundation, New York, NY

No matter their size or mission, nonprofit organizations need and deserve boards and staff that can openly discuss successes and challenges so that, together, they can help the organization be effective. That is the essence of a constructive partnership. A constructive partnership, in turn, is an essential element of a high-functioning board.

Creating a climate of openness, and the transparency that accompanies it, is critical to nonprofit organizational success, especially in an era marked by heightened accountability for performance and, in many cases, increased competition for resources. That climate depends on a shared agreement of the distinctive roles of the board and the chief executive and, by extension, staff. With a shared agreement, these players can take steps to create the "space" for constructive partnerships — by providing the right information at the right time, by promoting board cohesion and candor, and by creating the right meeting structure. By building on a mutual understanding of their respective roles, chief executives and boards can disprove the belief that "effective governance by the board of a nonprofit is a rare and unnatural act," a phrase used by Barbara Taylor, Richard Chait, and Tom Holland in their Harvard Business Review article (see Resources).

All constructive partnerships require agreement on the complementary roles of board and staff. But the line distinguishing those roles may be drawn at very different places for different types of organizations.

For example, a small startup nonprofit organization with a part-time or single staff member needs board members who straddle both sides of the board–staff line, not only working on governance and strategy but also taking on more operational duties, like accounting, stuffing envelopes for a fundraising mailing, or securing publicity for an event.

At the other end of the continuum, a large nonprofit with many full-time staff would likely draw the line at a different place, with board members focusing more on governance, strategy, and performance assessment, leaving staff to use their professional expertise to manage the day-to-day operations and implement the approved program initiatives.

Exactly where the line is drawn between board and staff responsibilities will depend on what the organization most needs at its particular stage of development. But wherever it is drawn, the important thing is that the roles and responsibilities of board and staff are clearly discussed and agreed upon. Once this foundation is in place, we've learned that maintaining and enhancing a constructive partnership requires attention to three key areas.

1. Filling the information gap
The first and perhaps most important component of constructive partnerships is bridging the inevitable information gap that occurs between staff who live and breathe the organization

every day and board members who come together sporadically for a relatively brief time. To effectively fill that gap, nonprofit staff need to provide information that goes beyond reporting on past events and permits the board to contribute to future decision making in a timely manner. Getting this balance right is a process of constant adjustment. Too much information and board members may feel overwhelmed, even irritated; they may see only trees and miss the forest. Too little information and board members may feel that they can't see the road they're on or whether it is even leading to the forest.

In either case, candor is critical to creating a climate characterized by ongoing commitment to understand and analyze why things went well or poorly so that the organization can keep improving. A candid framing by staff of the situation can provide internal clarity about the relevant issues and make it easier for board members to find an entry point into the decision-making process. At the Wallace Foundation, such candid conversations about the strengths and weaknesses of various strategies have resulted not only in better strategies developed with board input but also greater board engagement and investment in our work as a whole.

And don't underestimate the importance of communicating with board members between meetings. Periodic updates on progress and plans, or requests for advice, keep the board connected to the organization's work between meetings.

2. Building board cohesion

Because candor is difficult to achieve and sustain without a climate of mutual respect, time invested in helping the board come together as a team pays big dividends. It is important to provide time for board members to get to know one another and to have shared experiences. Like many organizations, Wallace schedules board dinners the night before a board meeting, often inviting an outside speaker whose contributions are relevant to the next day's discussion. We often include senior staff, many of whom regularly present to the board.

Providing opportunities for the board to discuss issues privately is also an important way to build board cohesion and to reinforce the expectation that all board members are active participants at meetings, not just passive recipients of staff reports. Because staff members generally shape the meeting agenda, it's important for board members to "own" some meeting time that is theirs alone. At Wallace, the board meets in executive session at the beginning and end of every board meeting, once with the chief executive and once without. These sessions provide predictable space and time for board members to ask questions or raise concerns about particular issues that may need attention. The results of these discussions often help shape future meeting agendas. In addition, the board annually discusses its own performance, including whether there has been adequate candor and active participation in board discussions.

3. Creating the right meeting structure

The third component of constructive partnerships is ensuring board meetings focus on what is most important to the organization's success so that board time is productive and the contributions of board members are maximized. At the Wallace Foundation, our board's most

important contribution is guidance on key strategic and performance issues — including the broad program areas in which we invest, the specific goals and strategies to be used in each area, the timing and duration of our initiatives, and our progress in meeting our mission.

We plan our meeting agendas to allow ample time for strategic and performance issues. At our January meeting, we review the progress of the past year and plans for the coming year. We have developed an annual State of the Foundation Report that functions as an internal scorecard for this purpose. For each of the three other meetings, we do a "deep dive" into one of our three focus areas, reviewing original goals and strategies, results to date, lessons learned, and options for moving forward. The background materials prepared for these discussions are sent at least a week in advance to ensure board members have time to reflect on the issues to be discussed.

At the meeting itself, staff presentations are limited to general framing comments, and most of the time is spent in conversation with the board, answering questions raised and listening to various perspectives expressed on the issues presented.

It's important to note that we developed this approach in consultation with our board as a result of candid conversation in executive session. We all agreed we needed to provide more time for thinking ahead and reflection — something we observed was difficult when meetings were organized solely around specific recommendations for action. Now, we seek to create "space" for discussions with the board around the strategies that will ultimately drive the recommendations, while still allocating shorter blocks of time for other updates, reviewing financial performance, and voting on specific grants.

Why bother?
Building a constructive partnership between board and staff is not easy (and perhaps not common). From the chief executive's perspective, it takes time to develop the trust that candor requires, and it takes courage to admit to a room full of smart board members that things don't always turn out as planned or that mistakes have been made. From the board's perspective, it takes dedication and commitment to faithfully attend board meetings and to adequately review board materials in advance. And it requires a real investment of time and effort for board members to understand the issues facing an organization so they can help develop the right strategies and performance measures to ensure success.

But the benefits of creating a constructive partnership are well worth the effort. Board members who feel they are active contributors to the organization's success are more engaged and supportive. They are able to more effectively represent the organization to various outside groups, which often results in greater visibility and support for the organization's work. Recruitment becomes easier because new board candidates are attracted to the energy and enthusiasm displayed by current members. From the staff's perspective, the organization's work is strengthened through the counsel of board members. And there is real satisfaction and confidence in knowing that the strategies being implemented have the full understanding and endorsement of the board. And, most importantly, the organization

benefits by making full use of the contributions of both board and staff — however the lines are drawn between the two.

In other words, the actions of both board and staff, in partnership, "construct" a more effective organization. And that, in turn, benefits the people across the country whose opportunities for education, enrichment, health, and overall quality of life depend in important part on the vigor and effectiveness of the nonprofit sector.

References

Barbara E. Taylor, Richard P. Chait, and Thomas P. Holland, "The New Work of the Nonprofit Board" *Harvard Business Review* (Harvard University September-October 1996). Richard L. Moyers, _The Nonprofit Chief Executive's Ten Basic Responsibilities_ (BoardSource 2006). Richard P. Chait, "Why Boards Go Bad" *Trusteeship* (May/June 2006).

Reprinted from the September/October2006 edition of Board Member, Volume 15, Issue 5.

Board Culture Questionnaire

1. Do board members have adequate opportunities to socialize and get to know each other before, after, or outside of board meetings?

2. On a scale of 1-10, how well does the board foster a sense of inclusiveness among all board members?

3. Are board members open to listening to differences of opinions with their peers or with executive leadership?

4. How comfortable are board members in engaging in constructive debate within the boardroom?

5. How willing are board members to ask for additional information?

6. Do board members come to meetings well-prepared – having read the meeting materials in advance?

7. Does the board chair try to engage all board members in discussions?

8. How are new members integrated into the organization?

9. Are different formats used for board meetings, such as small-group discussions, facilitated sessions on strategic issues, or outside speakers?

10. Are exit interviews conducted with board members who resign or rotate off the board?

Sample Communications and Accountability Pact

By agreeing to how each leader will interact with his or her counterpart (chief executive and board chair), communications expectations are discussed up front. These may be a good starting point for your own organization. But be sure to craft commitments that work for your particular needs!

The chief executive will
- Share both good news and bad news immediately.
- Provide time for weekly telephone and monthly in-person updates.
- Alert the board chair to any information or issue that has the slightest chance of escalating into a risk for the organization.

Add your own here:

The board chair will
- Make time to develop the agenda of each board meeting in concert with the chief executive.
- Provide honest feedback to the chief executive in regard to the purview of his or her responsibilities and performance.
- Develop a platform of issues in concert with the chief executive to be advanced during his or her term.
- Be timely and responsive to the requests of the chief executive, recognizing that at least in some instances, it is not appropriate for the chief executive to determine organizational direction or response without participation of the governing body.

Add your own here:

WORKSHEET: Board Chair-CEO Questionnaire

This tool is designed to benefit Board Chairs and CEOs by giving them the opportunity to carve out time for an intentional discussion about leadership and communications styles. Ideally, each individual would complete this sheet on his/her own and then the Board Chair and CEO would set aside time for a phone or in-person appointment to discuss the results.

By completing the statements below and sharing them with your Board Chair (and vice-versa), the two of you together will take steps toward developing or strengthening an effective leadership team for your organization. The more up-front and clear you can be, the more likely it will be that your leadership experience will be something you enjoy and appreciate.

1. I think we need to check in with each other
    a. Several times a month   _____
    b. Once a week   _____
    c. More than once a week   _____
    d. Whenever one of us has a question or information that needs to be shared_____

2. My order of preference for our communications is:
    a. Face-to-face meetings   _____   Telephone_____
    b. E-mail   _____   Other   _____

3. What I value in a working relationship is:

4. Something that generally bothers me in a working relationship is:

5. Something that I find challenging in my position at this point is:

6. What you could do that would be most helpful to me in fulfilling my role is:

7. What I can offer as a contribution to our working relationship is:

8. In my opinion, other important elements to building a positive working relationship are:

BOARDS AND CONFLICT

Nonprofit boards are no more insulated from conflict than are other human institutions. Board leaders need to be prepared to deal with any number of conflicts as they come up—or even better, to understand enough about conflict to be smart about preventing it from becoming destructive.

A few thoughts as you work with boards with conflict:

❑ All conflict is not bad. A board with no conflict may be suffering from diseases that may be terminal, such as complacencyitis, rubber-stampitis, dysfunctional politeness, or diversity deficiency.

❑ To prevent conflict that could seriously compromise a board's effectiveness, learn how to explore conflicting ideas and perspectives. In other words, to develop a board culture where conflict is managed rather than suppressed or allowed to become destructive.

❑ Different people have different tolerance levels for conflict. What to some is a vigorous debate, to others feels like destructive conflict. What to some look like problems being swept under the rug, to others appear to be sensible avoidance of unnecessary conflict. Board leaders need to know how not to shy away from issues that need to be dealt with while finding ways in which conflict does not get out of hand.

In general, boards may experience one of three kinds of conflicts:

1. *Conflicts over Substance*

   The direction, strategy, and—most difficult—values of the organization.

2. *Conflicts over Process*

   How the board should conduct its business; board member accountability; and competition for leadership.

3. *Personality Conflicts*

   Difficult individuals, singly or in combination. Common board character "types" that may cause organizational strife include the monopolist, the self-righteous moralist, and the naysayer.

Two factors often complicate all of these points of potential conflict:

- Communication problems, which might be built into the organization's structure or reflect inadequate leadership skills, and/or

- Board politics, depending on which individuals or cliques have power and influence over the group.

To get the board to move on, someone must intervene. That someone needs to have perceptive listening skills and be able to separate personal issues from disagreements about substantive and process issues.

Do not to let the group be held hostage to the troublesome behavior of a few members. Carefully choose the right person to address the problem. Handle the situation privately. Avoid pointing fingers and impugning other people's motives. Insist on "I" statements. Describe events, rather than judge them.

Through it all, recognize that some conflicts may not be solvable (e.g., if they are over basic values). But, an honorable separation may still be possible, and a third party may be useful in suggesting, defining, and leading that separation.

Robust Discussions

Try these techniques to stimulate board deliberations that are highly participative and relatively spontaneous.

❑ **Silent Starts.** Take two minutes at the beginning of the board meeting for members to write (anonymously) the most important questions the board and management should address. Read and tally to identify the most crucial issues.

❑ **One Minute Memos.** At the conclusion of each discussion item, board members take a minute to write down what they would have said if there had been more time. Collect for review by the chair and chief executive so there's no doubt about what's on the board's mind.

❑ **Future Perfect History.** In breakout groups, develop a future-perfect narrative of how the organization moved from its present state to its envisioned state. Compare story lines and pathways and detours.

❑ **Counterpoints.** Randomly designate two board members to make the most powerful counterarguments to initial staff recommendations.

❑ **Role Plays.** Ask subsets of the board to assume the perspective of different constituent groups likely to be affected by the issue at hand. How would they frame the issue and define a successful outcome? What would each group regard as a worst-case scenario?

❑ **Surveys.** Prior to discussing a major issue, board members take an anonymous survey that includes questions like: What should top our agenda next year? What are we overlooking? What is the most valuable step we could take to be a better board? What are the most/least attractive and worrisome aspects of the proposed strategic plan? An analysis of the responses (not the loudest voice) drives subsequent discussion.

Excerpted from *Governance as Leadership* by Richard P. Chait, William P. Ryan, and Barbara Taylor. BoardSource and John Wiley & Sons, 2005.

REFLECTION

The reflection questions below are for your personal use only. They will not be collected by course presenters or facilitators. You may want to set aside time each week to reflect and jot down questions, action steps, or notes that can benefit your "real-time" webinar experience.

1. How would you describe your board's culture? What three adjectives would you use to characterize the board?

2. When was the last time the board demonstrated a "culture of inquiry?" What was the issue? Did most board members engage? What made the discussion productive (or unproductive)?

3. What strategies for "Robust Discussions" might you employ?