

Nonprofit Board Chairs Leadership Series

Week 2
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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

Week Two Agenda



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

I. Board Development



Boards *Matter*



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

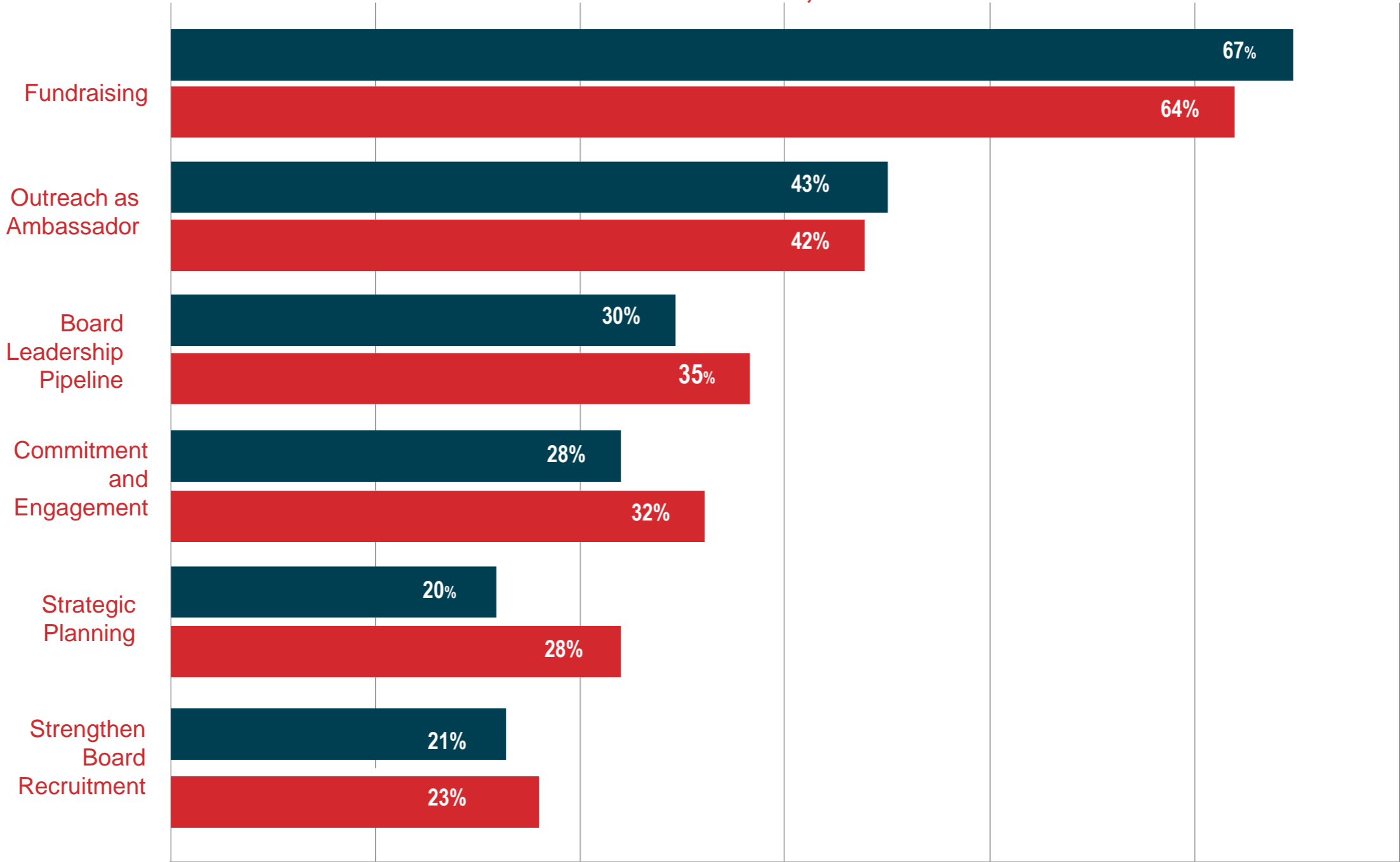
Board
Revitalization &
Composition

Board
Structures &
Practices –
“new work”

Designing
Board Meetings
that Matter

Ensuring Board
Involvement
that makes a
difference

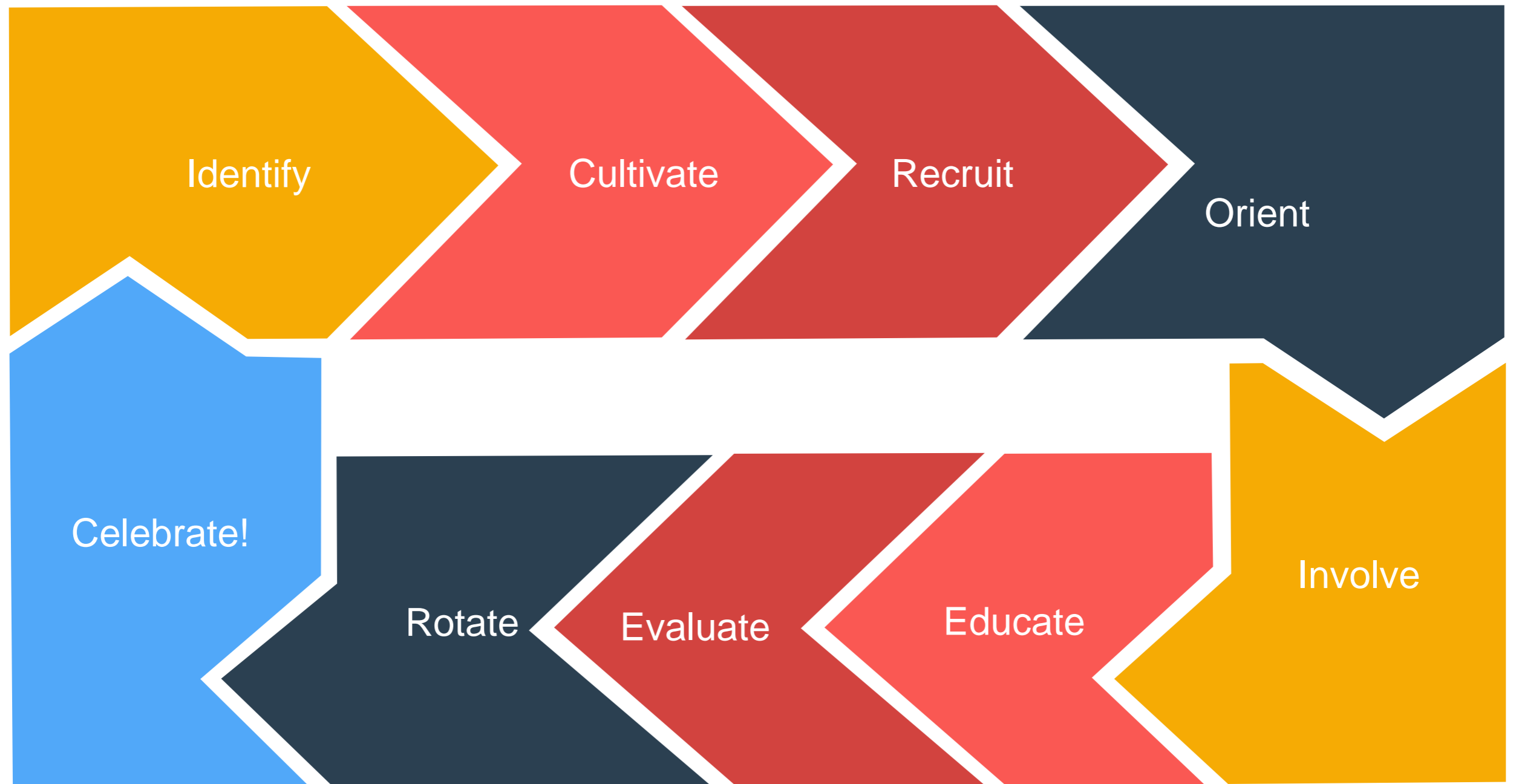
WHAT ARE THE THREE MOST IMPORTANT AREAS THE BOARD SHOULD ADDRESS TO IMPROVE ITS OWN PERFORMANCE? Red - Bd Chairs, Blue - Executive



#1- Poll Question

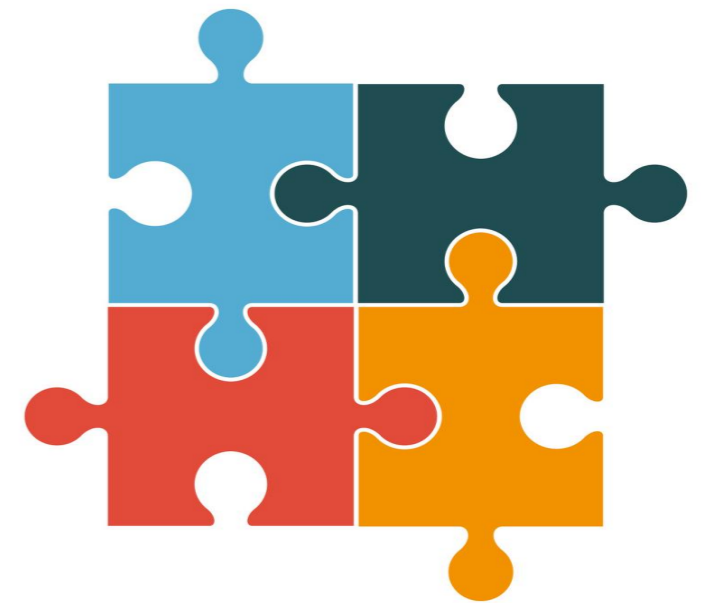
Share in the chat box 3 issues that you're aware of related to your board of directors.

Nine Steps to Strengthening Your Board



The Case for a Governance Committee

- Promotes and provides education about the organization, field, and governance
- Assesses the organization's governance needs
- Identifies, nominates, and orients new members
- Conducts board self-assessment
- Organizes the annual board retreat



Nominating vs. Governance Committee

Nominating

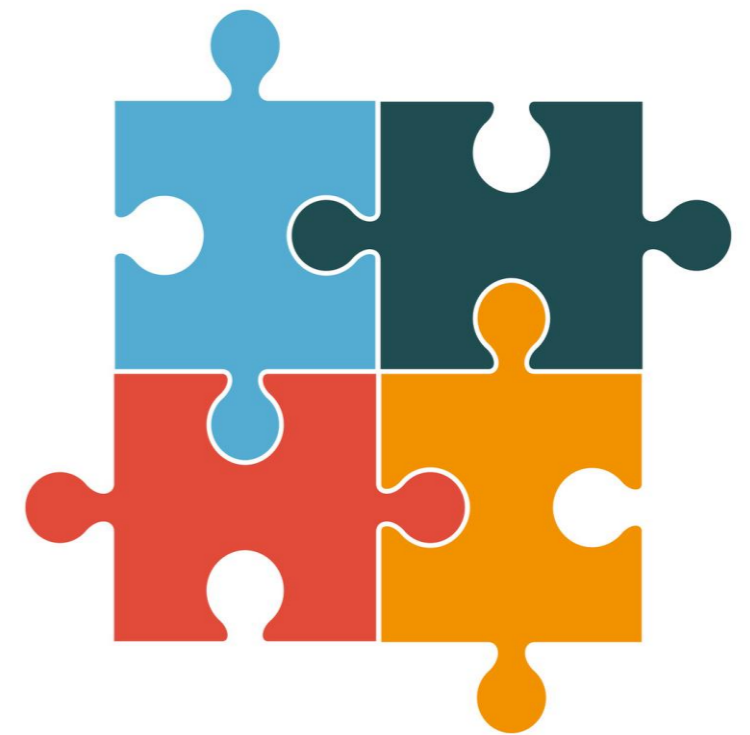
- Short-term
- Narrow focus
(Elections, Officers)
- Self-contained

Governance

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

Governance Committee Charter

1. Board Roles and Responsibilities
2. Board Composition
3. Board Knowledge
4. Board Effectiveness
5. Board Leadership



Nominating vs. Governance Committee

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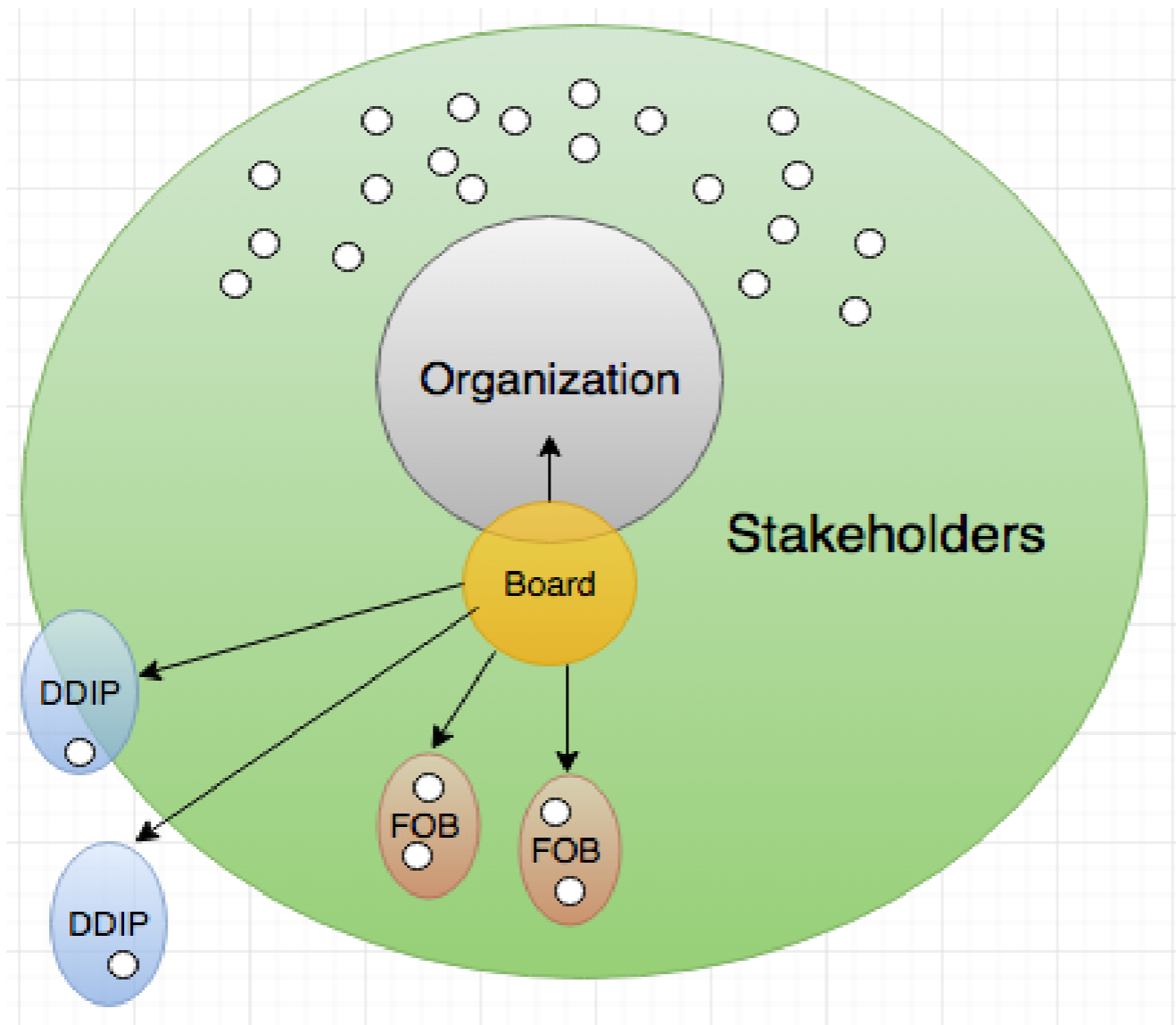
Two-thirds of Boards are Self perpetuating

“Board members have no one to blame but themselves if the board does not have the right board members. Either the process ...is flawed, or implementation falls short.”



#NPQonBoards

Self-Perpetuating Board Within Stakeholder Environment



FOB: Friends of the Board

DDIP: Desired Disconnected Individual person

#NPQonBoards

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.



Diversification- a best practice

Diversifying the board has the following benefits:

- More effective decision making.
- Better utilization of the talent pool.
- Enhancement of corporate reputation and relationships.
- Establishing the board as a responsible corporate citizen.

Step 1: Assess 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

Board Composition:

Review the Board Composition Matrix and Conduct a Gap Analysis

1. What is the board's current composition?
2. What's needed now: professions, experts, community area?
3. What gaps need to be filled in the future?
4. What are the strategic priorities – is there board expertise to drive them?
5. What other attributes are important?

#2- Poll Question

Does your board have a Composition
Matrix?
Yes or No



Diversity Considerations

Why Diversity and Inclusion Matter

Diverse organizations are more likely to attract more diverse donors.

Heterogeneity promotes creativity and innovation.

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

Leading with Intent 2017

FIG
P1

DEMOGRAPHIC PROFILE OF BOARDS AND EXECUTIVES⁶

Race & Ethnicity	Chief Executive	Board Chair	Board Member
Caucasian	90%	90%	84%
African American/Black	4%	5%	8%
Asian	2%	2%	3%
American Indian or Alaska Native	< 1%	1%	1%
Native Hawaiian or Pacific Islander	< 1%	< 1%	< 1%
Two or more races	2%	1%	1%
Other	2%	1%	3%
Hispanic or Latino of any race	3%	3%	5%
Not Hispanic or Latino	97%	97%	95%

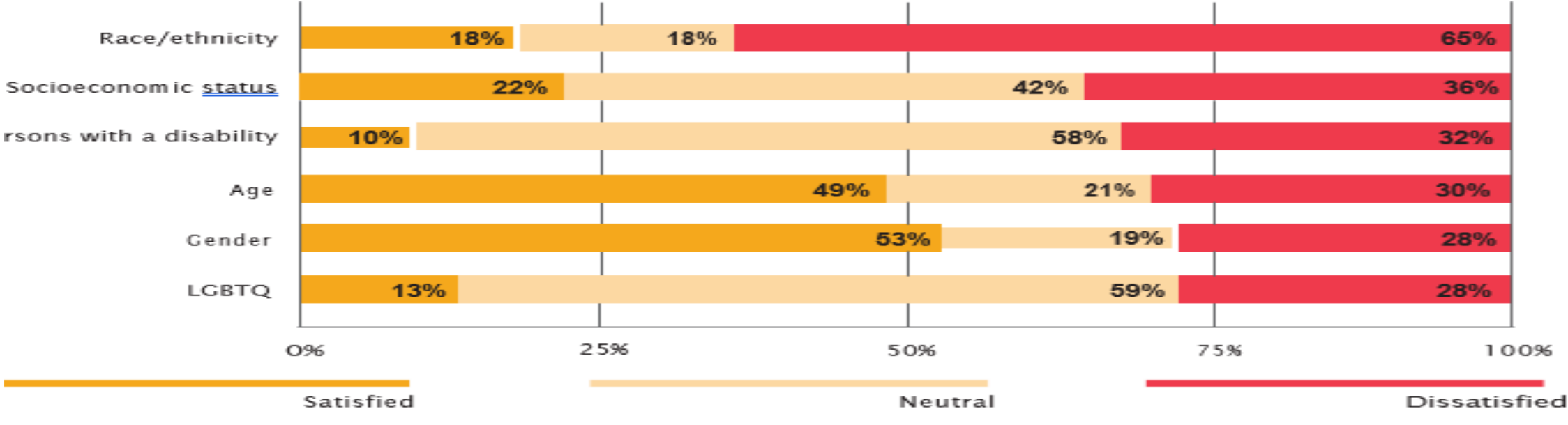
Gender	Chief Executive	Board Chair	Board Member
Male	28%	58%	52%
Female	72%	42%	48%
Other	0%	< 1%	< 1%

Age	Chief Executive	Board Chair	Board Member
65 or older	13%	29%	16%
50 to 64	56%	43%	41%
40 to 49	20%	17%	26%
Under 40	11%	11%	17%

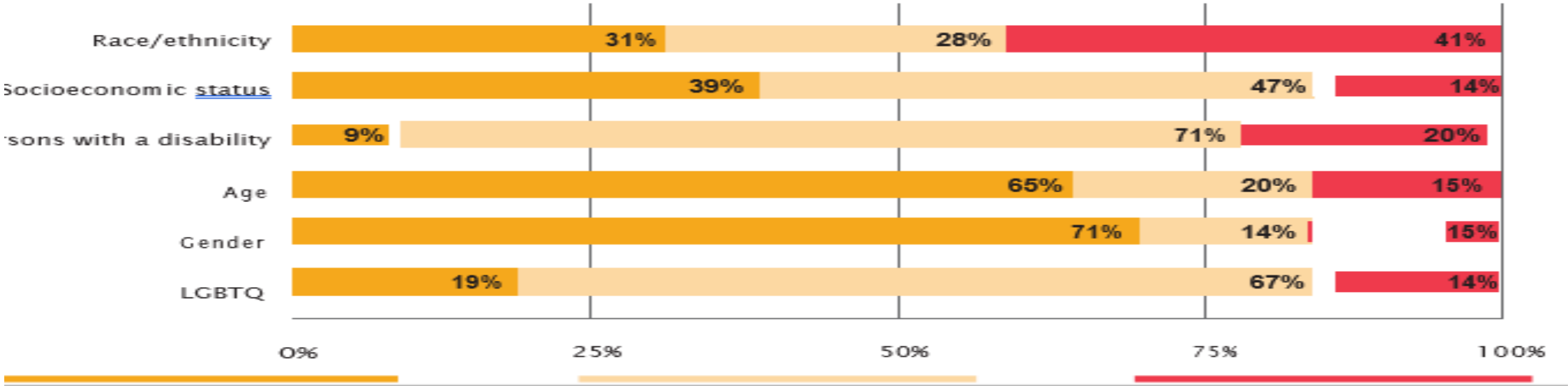
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CHIEF EXECUTIVE SATISFACTION WITH CURRENT BOARD DIVERSITY



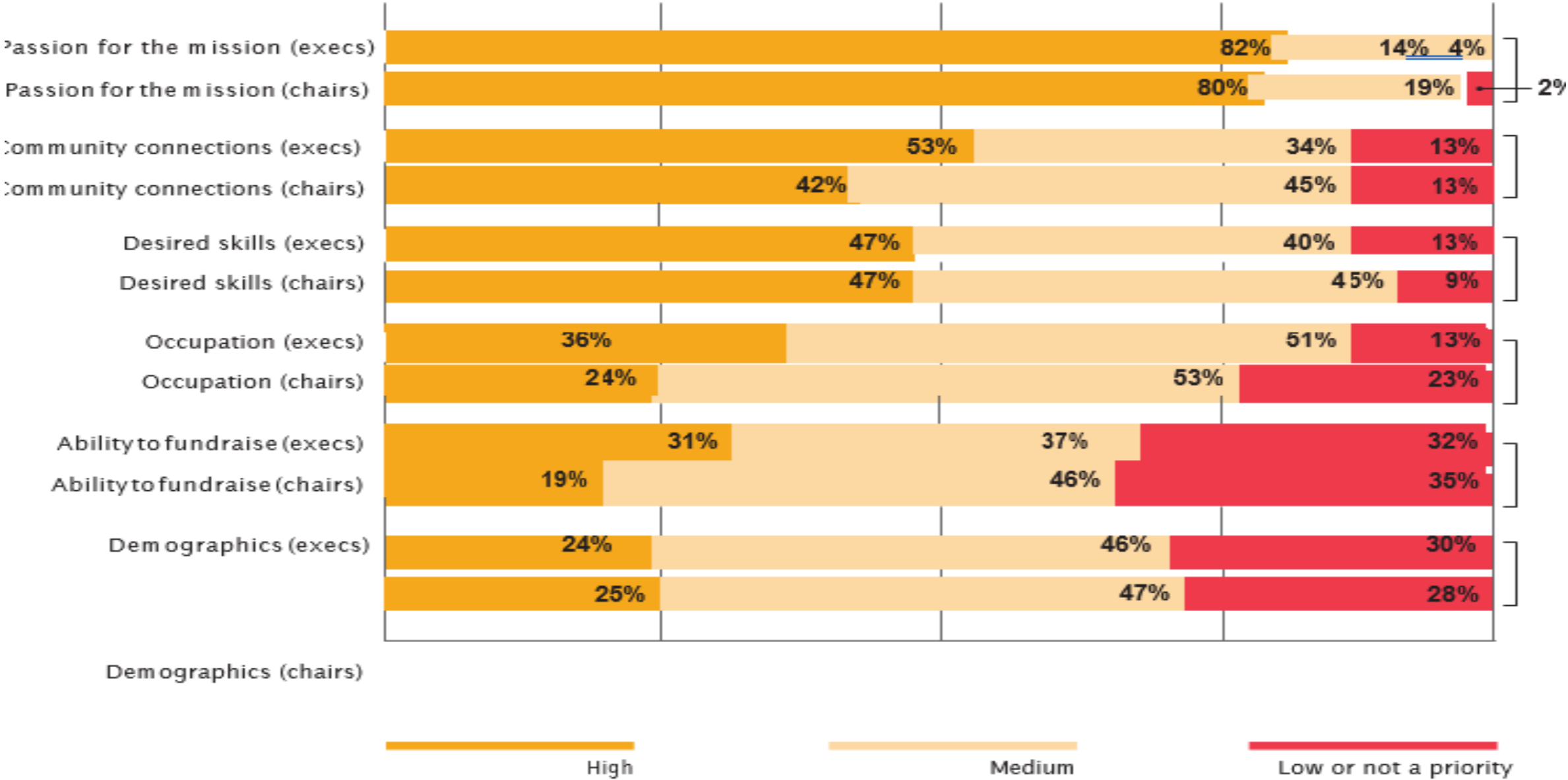
BOARD CHAIR SATISFACTION WITH CURRENT BOARD DIVERSITY



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FIG P6

WHAT IMPORTANCE DOES THE BOARD ASSIGN TO THE FOLLOWING ITEMS WHEN RECRUITING BOARD MEMBERS?



Diversity is Multiple-Faceted

- Race
- Ethnicity
- Gender/Gender Identification
- Sexual Orientation
- Age/Generation
- Social Class
- Ability/Disability
- Religious/Spiritual
- Geographic Regional
- Skills/Expertise
- Professional/Career Role
- Interest

Everyone has a Role

**Board Chair and
Chief Executive**

As partners in
leadership

**Governance
Committee**

As conscience of
the board

**The Board
Collectively**

As teammates with
shared purpose,
authority, and
accountability

#3- Poll Question

Has your board discussed the benefits of diversity and inclusivity of the board, as it pertains to your mission?

Yes or No

Composition Matrix = Diversity and Diversification

- Identify internal “champions for change”.
 - Define diversification and diversity for the organization
- Appoint task force or committee to work on the matrix and identify diversification priorities.
 - Know what your looking for – profession, skills, expertise, age, gender, race/ethnicity, geographic area
- Helps to identify pipelines for cultivating potential board candidates that will expand your board’s diversification.
 - Develop an intentional strategy

Action Steps



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

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.



Board Development: Keep Boards Fresh

- Rotation within the board
- Ad hoc committees
- Board leadership positions
- Outside assignments
- Rotation off the board
- Term limits



Meaningful Work for Board Members

The Cause of Disengagement:

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

What Creates Meaningful Work:

- Delegation
- Purposeful committee structure and assignments
- Strategic Thinking

II. Generative Thinking & Decision Making



The Board Chair Sets the Tone

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	61%	23%	9%	7%
Fosters an environment that builds trust	51%	28%	15%	6%
Is able to resolve conflict, build consensus and reach compromise	41%	33%	18%	9%
Encourages board to frame and discuss strategic questions	41%	31%	19%	9%
Establishes clear expectations of board service	30%	33%	25%	11%

Reframing the Work of the Board



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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Generative Thinking

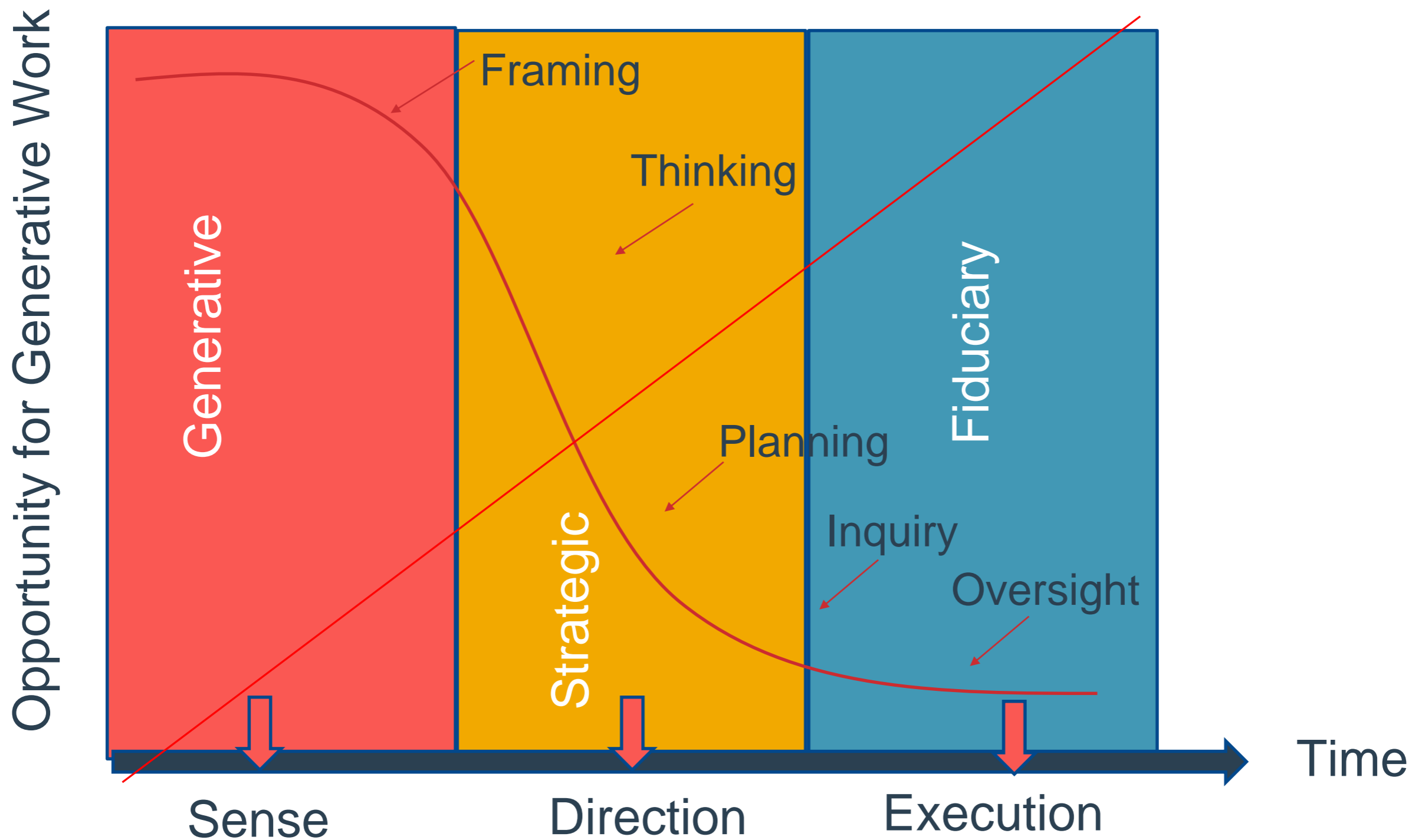


A cognitive process for deciding *what* to pay attention to, what it *means*, and what to *do* about it.

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.

The Generative Curve



“A problem well-stated is a problem half-solved.”
Charles Kettering (inventor and head of research for
GM 1920-1947)

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Generative Thinking: Four Scenarios

High

Trustee Engagement

Low

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

Executive Engagement

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



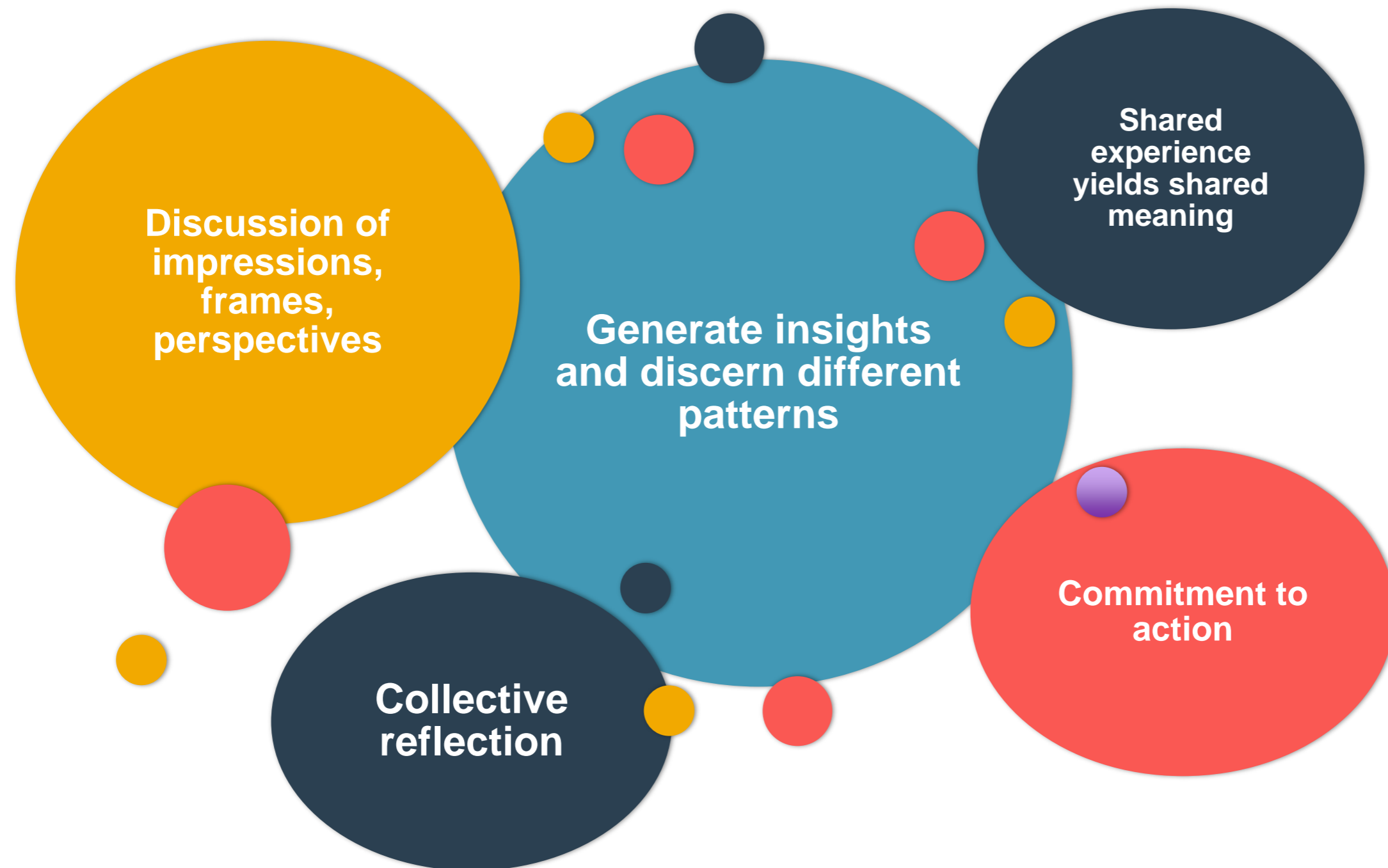
Generative Opportunities



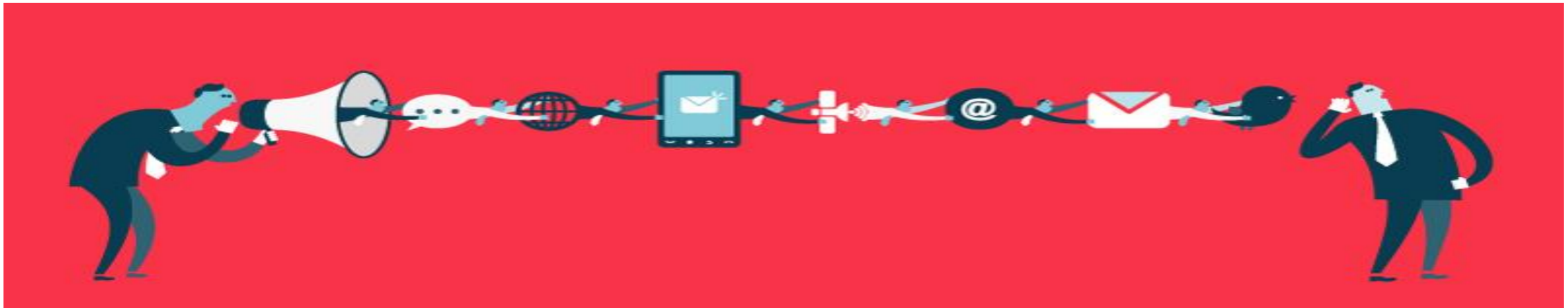
Getting to Governance as Leadership



Generative Boundary Work

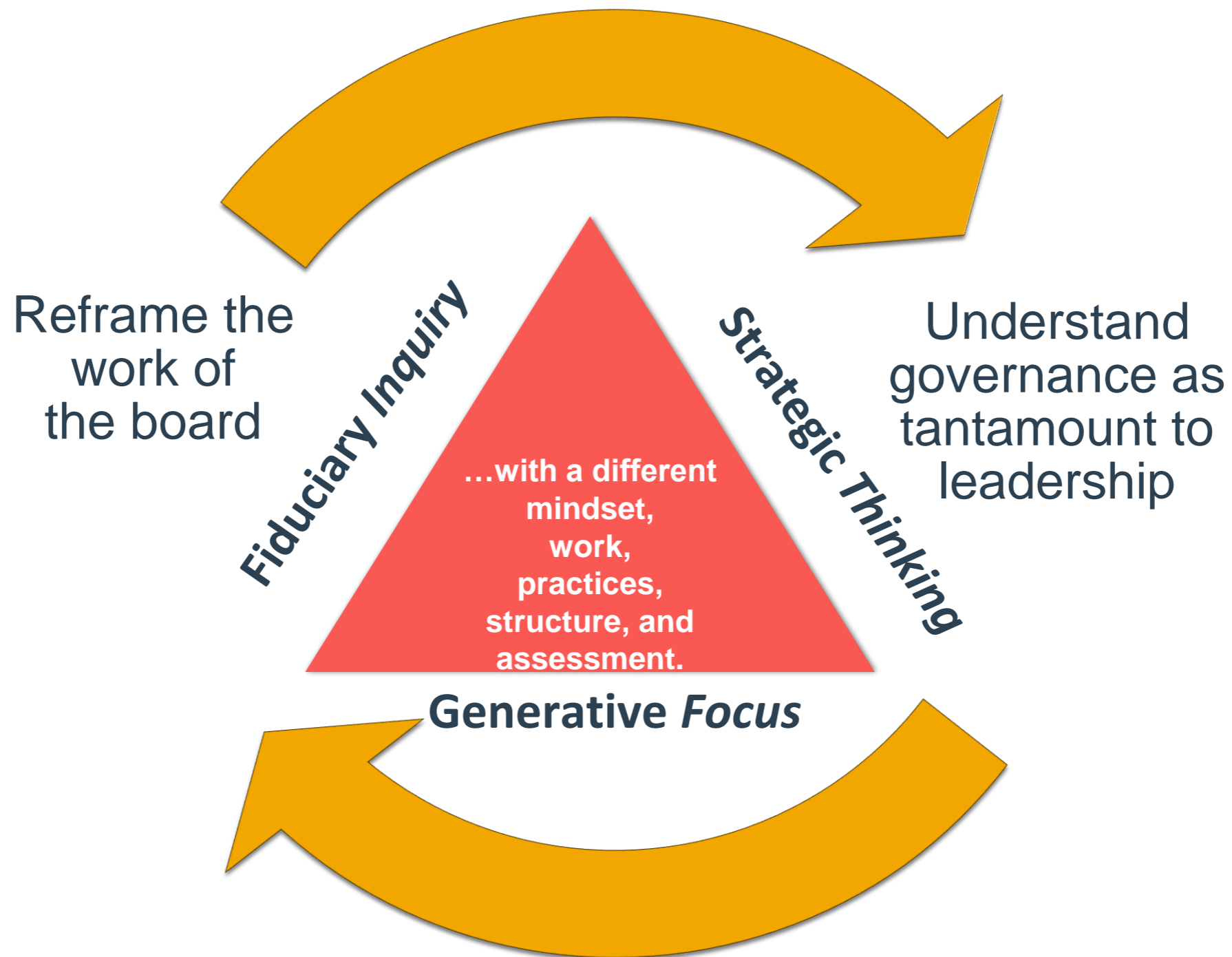


Deliberate Differently



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

Execute in All Three Modes



III. Board Work Structures



Leading With Intent Board Structure Data at a Glance

(refer to page 32- 38)

Meetings-Best Practices

Planning and Preparation

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



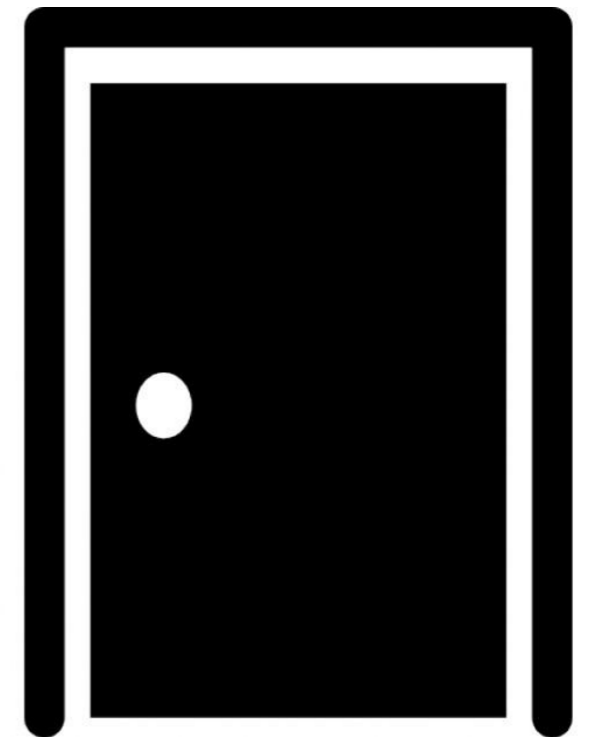
In the Boardroom

- 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

Executive Sessions

Opportunity for the full board to meet in private with and without the executive director.

Open Meetings - www.sunshinereview.org



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

Questions?



See you next week!



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