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**THE
BOARD-BUILDING
CYCLE**

FINDING, ENGAGING, AND STRENGTHENING
NONPROFIT BOARD MEMBERS

THIRD EDITION

BoardSource®

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INTRODUCTION

In 1.6 million nonprofits in the United States, each with an average of 15 board members, thousands of board positions need to be filled every year.¹ Attracting capable board members can be challenging. Organizations frequently compete in their communities for good prospects, sometimes settling for people who are willing to serve, regardless of whether they are right for the job. Some potential candidates decide that the demands on their time make it impossible to accept an invitation for board service. And too often, boards scramble to find willing candidates just before the annual election, choosing less-than-ideal replacements in the interest of time.

But the task of building a nonprofit board involves more than just filling places at the board table. It requires being strategic about identifying and cultivating potential candidates so that the board will not be caught off guard when the time comes to elect new members — or when a pivotal board member suddenly departs. Board building does not end with recruitment, but continues with creating and sustaining a culture of learning, engagement, and self-assessment that values the input of all members. The most effective boards — those whose members are deeply committed to the organization’s mission and purpose, who bring expertise in key areas, and who represent diverse experiences, points of view, and cultural backgrounds — evolve over time and have a sustained focus on good governance.

This book describes board building as a continuous cycle with three interconnected phases (see page 12):

1. **Strategic recruitment** — Building a board of capable, diverse, and enthusiastic people with the right mix of skills, experiences, and backgrounds by identifying potential board members, cultivating their interest, and recruiting them to serve.
2. **Effective board engagement** — Engaging all board members, not just new ones, in the work of the board through ongoing education about the organization and its programs, the external operating environment, and the board’s leadership role and by creating a culture of inclusion that values the input of all members.
3. **Intentional revitalization** — Stimulating thoughtful conversation about effective governance, understanding the board’s performance through self-assessment, and regularly looking for opportunities to strengthen the way the board works.

The value of following this purposeful, cyclical approach is highlighted in the 2017 edition of *Leading with Intent: BoardSource Index of Nonprofit Board Practices*:

- Creative, focused, and authentic board recruitment practices yield a board that is well matched with the organization’s mission and current needs.

¹ *Leading with Intent: 2017 BoardSource Index of Nonprofit Board Practices.*

- Ongoing education deepens the board’s understanding of the organization, leading to stronger board engagement, better strategy, and more effective leadership, including fundraising.
- Boards that participate in regular self-assessment perform better on their core responsibilities.

THE BOARD-BUILDING CYCLE



THE BOARD-BUILDING CYCLE

Phase 1: Strategic Recruitment

Step 1: Identify the future needs of the board. Determine the diversity of skills, knowledge, backgrounds, and perspectives you need to implement the strategic plan or framework and address upcoming opportunities and challenges. What do you have? What is missing?

Step 2: Cultivate potential board members and identify individuals with the desired characteristics. Ask current board members, senior staff, past board leaders, and key supporters to suggest potential candidates, but also seek diverse prospects from beyond familiar circles of connections. Find ways to connect with candidates, get them interested in your organization, and keep them informed of your process.

Step 3: Recruit prospects. Describe why prospective members are wanted and needed. Explain

expectations and responsibilities of board members, and don't minimize requirements. Invite questions, elicit prospects' interest, and find out if they are prepared to serve.

Phase 2: Effective Engagement

Step 4: Orient new board members to the organization and to the board, explaining the history, programs, pressing issues, finances, facilities, bylaws, and organizational chart. Share information on committees, board member responsibilities, current board composition, and key staff members. Speak to your board's culture and how board members engage with one another in discussions and decision making. Assign a board mentor to each new board member.

Step 5: Involve all board members. Discover their interests, talents, and availability. Involve them in committees or task forces. Solicit feedback. Hold everyone accountable. Identify emerging leaders. Express appreciation for work well done.

Step 6: Educate the board. Share information about your mission area, programs, community, and good governance. Promote exploration of issues facing the organization. Hold retreats and encourage board development activities by sending board members to seminars and workshops. Don't hide difficulties.

Phase 3: Intentional Revitalization

Step 7: Evaluate the board as a whole, as well as individual board members. Engage the board in assessing its own performance, and identify ways in which the board can improve its effectiveness. Encourage individual self-assessment. Examine how the board and chief executive work as a team.

Step 8: Rotate board members. Establish term limits. Do not automatically re-elect board members for an additional term; consider the board's needs and the board member's performance. Explore the feasibility of asking inactive members to retire from the board. Continually develop new leadership.

Step 9: Celebrate! Recognize genuine victories and progress, no matter how small. Acknowledge individual contributions to the board, the organization, and the community. Honor those who have excelled in their board service.

The board-building cycle described in this book is designed not only for nonprofit organizations whose boards select their own members, but also for organizations where the authority to appoint new board members rests elsewhere. In associations whose members typically elect the board, for example, the governance committee can use the board-building cycle to assess the organization's needs and then give the membership information about the desired attributes of new board members, with concrete suggestions of qualified individuals. The same is true in organizations whose boards are appointed by public authorities or leaders of a parent group. For boards that serve an advisory role but do not have formal governing responsibilities, the board-building cycle strengthens the combination of resources available on the board, which in turn strengthens the quality of board decision making.

GUIDING THE BOARD-BUILDING CYCLE

The governance committee guides all three phases of board building, making sure that the board strives continuously to be as effective as it can be. The committee — which has evolved from what was once called nominating committees — is a proactive group. It monitors strategic shifts in the organization that may require different expertise on the board, takes steps to improve the quality of board deliberations, ensures regular self-assessment, plans for board leadership succession, and more. Governance committee members should represent a microcosm of the full board, with a variety of backgrounds and experiences. Engagement in a range of community circles is an asset because it yields not only personal contacts but a broad perspective on the external environment. Internally, governance committee members should have a deep knowledge of the organization and the needs of the board, along with the respect of their board colleagues. They should understand human dynamics, relationship building, and organizational development so they can observe when the board is functioning well and when it needs improvement. The governance committee's purposes and functions are described in depth in Chapter 2 of the BoardSource publication *Nonprofit Board Committees*.

While the governance committee is essential to building an effective board, the board chair and the chief executive have equally important roles. Not only do they often have important contacts in the community that may lead to new board members, but they shape the ongoing work of the board. Developing meeting agendas, engaging board members in the work, and providing key information are responsibilities shared by the board chair and the chief executive. An important responsibility for the board chair is to nurture emerging leaders so that there are viable candidates in line for succession when the time comes. Some boards use the position of chair-elect to ensure an orderly and regular transition. Others similarly use the vice-chair position to prepare the next chair. Still other boards prefer to leave the field open. In that case, it is important to appoint several board members to positions of responsibility so their colleagues have a way of anticipating how well they would perform as board chair.

Good boards do not just happen. They take care, thought, and planning. Organizations with strong, active boards often spend significant time and attention on each part of the board-building cycle. Good boards wanting to become great boards will continually consider how to strengthen their performance at each step of the cycle. They will ensure that everyone on the board is on the same page in terms of the board's responsibilities for the organization and their individual responsibilities as board members.

BASIC BOARD-BUILDING TOOLS

As the foundation for the board-building cycle, every board needs three carefully articulated written statements: roles and responsibilities for the full board; roles and responsibilities for individual board members; and a charter or job description for the governance committee.

Board-Building Tool

BOARD ROLES AND RESPONSIBILITIES

Basic Responsibilities

- Mission alignment: Understand the organization's mission in order to make mission-, purpose-, and values-driven decisions.
- Oversight and accountability: Understand proper oversight measures that safeguard the organization's resources.

Strategic and Adaptive Responsibilities

- Constructive partnership with the chief executive: A productive working relationship promotes board engagement and strategic leadership.
- Thinking and leading strategically: Adopt and follow a strategic plan or framework, and then monitor organizational performance and impact against its goals or objectives.
- Intentional board practices: Strategic recruitment, ongoing board development, and regular reflection on board performance are essential responsibilities.

External Leadership and Ambassadorship

- Fundraising: Adopt clear expectations for board member involvement, and support individual board members' fundraising capabilities with training and guidance.
- Advocacy and outreach: Act as ambassadors for the organization to advance organizational goals and values in the community and among policymakers.

Board-Building Tool

ELEMENTS OF A BOARD MEMBER JOB DESCRIPTION

- Each individual board member is expected to do the following:
 1. Understand these three fundamental legal duties:
 2. Duty of Care — Participate actively in making decisions on behalf of the organization and exercise the best individual judgment while doing so.
 3. Duty of Loyalty — Put the interests of the organization before individual personal and professional interests when acting on behalf of the organization in a decision-making capacity.
 - Duty of Obedience — Ensure that the organization complies with applicable federal, state, and local laws and adheres to its mission.
 - Know the organization's mission, goals, policies, programs, services, strengths, and needs.
 - Follow trends in the organization's field of interest.

- Read and understand the organization's financial statements.
- Serve as an active advocate and ambassador for the organization, and fully engage in identifying and securing the financial resources and partnerships necessary to advance its mission.
- Leverage connections, networks, and resources to help the organization fully achieve its mission.
- Give a personal financial donation.
- Help identify connections that can benefit the organization's fundraising and reputational standing and influence public policy related to the organization.
- Prepare for, attend, and conscientiously participate in board meetings.
- Participate fully in one or more committees.
- Follow the organization's bylaws, policies, and board resolutions.
- Sign an annual conflict-of-interest disclosure, update it during the year if necessary, and disclose potential conflicts before meetings and actual conflicts during meetings.
- Maintain confidentiality about all internal matters of the organization.

Board-Building Tool

SAMPLE GOVERNANCE COMMITTEE CHARTER OR JOB DESCRIPTION

The governance committee is responsible for ongoing review and recommendations to enhance the quality of the board. The work of the committee revolves around five major areas.

1. Educate the board.
 - Lead the board in regularly reviewing and updating the description of its roles and areas of responsibility and the expectations of individual board members.
 - Assist in periodically updating and clarifying the primary focus areas for the board, and help shape the board's agenda for the next year or two, based on the strategic plan or framework.
2. Pay attention to board composition.
 - Lead the board in assessing current and anticipated needs related to board composition and diversity, determining the knowledge, attributes, skills, abilities, perspectives, influence, and access to resources the board will need to accomplish its work in the future.
 - Develop a strategic board composition matrix to identify gaps in future needs.
 - Lead the board's efforts to identify potential board member candidates and explore their interest and availability for board service.

- In cooperation with the board chair, contact all board members eligible for re-election to assess their interest in continuing board membership, and work with all members to identify what they might be able to contribute to the organization.
 - Nominate individuals for election or re-election to the board.
1. Encourage board development.
 - Provide candidates with information needed before election to the board.
 - Design and oversee a process of board orientation that prepares new members for successful board service.
 - Design and implement ongoing programs for information sharing, continuing education, and team building.
 2. Assess board effectiveness.
 - Initiate periodic assessment of the board's performance, and propose, as appropriate, changes in board structure and operations.
 - Provide ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness.
 - Regularly review and update the bylaws and other board policies and practices.
 3. Prepare board leadership.
 - Lead board member succession planning, taking steps to recruit and prepare for future board leadership.
 - Nominate board members for election as board officers.

Board-Building Tool

PERSONAL QUALITIES BOARD MEMBERS NEED

Every board should identify the personal qualities that prospective board members will ideally bring to the table. The governance committee can look for evidence of these qualities during the cultivation process. They qualities might include the following:

- Skilled at listening, analyzing, thinking clearly and creatively, and working well with individuals and as part of a collective
- Committed to prepare for and participate in board and committee meetings, ask relevant questions, take responsibility and follow through on assignments, contribute personal and financial resources according to circumstances, open doors in the community, and evaluate oneself
- Willing to develop skills such as cultivating and soliciting funds, cultivating and recruiting board members and other volunteers, reading and understanding financial statements, and advocating on behalf of the organization's mission and programs
- Disciplined about keeping board member roles separate from volunteer or donor roles and from personal friendships with senior staff or the CEO
- Exhibit personal integrity, a strong sense of values, and broadmindedness
- Take a friendly, responsive, and engaging approach in personal and group interactions
- Possess concern for the development of the nonprofit and the community it serves.