

The Basics of Boardsmanship Training



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1. Who should be on a board?
 2. What do we expect of each other?
 - a. Statement of expectations
 - b. Using committees for greater effectiveness
 3. Evaluating the board
 4. Board meeting tips

Hand-outs included:

1. The Essential Element: A Board that Works
2. States of Board Development
3. Board Matrix
4. Board Committees
5. Are We Doing A Good Job?
6. Tapping Your Board's Intellectual Capital
7. The Elephant in the Board Room

Appendix:

Ten Effective Board Meeting Tips

The Essential Element: A Board that Works



We found that we were frequently being pulled into long discussions about the role of the board in fundraising. In many cases, these are all-volunteer groups...so there is no one but the board to fundraise, clean the streambed, organize the science fair and lobby the county commissioners for support.

How can we build the most effective board?

A clear and specific plan is one of the tools that is vital to effective use of the board members' time, but in addition to continuing to work with the development planning tools introduced earlier in this volume, we did spend a lot of time on boardsmanship at several of the sessions. I attach here the various handouts we used to help Friends think about how best to compose, motivate and make the best use of their board.

Many people join Friends boards thinking that they will be building a better environment for themselves, their friends and their children only to find that they are really just unpaid labor. So we tapped back into the importance of the board having a shared mission, vision and a clear sense of their importance to the community's vision.

For some of the participants, their Friends board was their first board. We reviewed the roles and responsibilities of board members – looked at fiduciary and legal responsibilities, the importance of being a passionate ambassador and attending to board building as a key leadership role. We took a look at the expectations of the Commonwealth for the organizations' by-laws and discussed financial responsibility. If a board truly understands its financial responsibilities, the embrace of fundraising becomes more automatic!

Get the right people on the board...and then, let them go!

The most important committee any board has is the nominating committee. So we explored doing an analysis of your current board and seeking expertise and outreach capability that isn't already present. Most of these Friends boards are too small and the people on them are tired. They often do not enforce the term limits in their by-laws and they have been talking to the same small group of people since they began. So the composition issue is mostly about who else? And how can we make this board an attractive use for their discretionary time? Many Friends board members are not naturally inclined to enjoy fundraising. They were encouraged to try to recruit the woman who does a great job with the school fair or the man who has recruited many people into Kiwanis or their towns' most successful Avon lady!

Changes for nonprofit boards

The climate for nonprofit boards is tough. In the wake of the Sarbanes Oxley Act, which focused Congress' attention on corporate governance issues, the Senate Finance Committee began an in-depth investigation of nonprofits – and governance practices came in for intense scrutiny. They were not thrilled with what they saw, so there has been a general tightening of the reins. Most of this is most clearly expressed in the new IRS 990 form, which will require a lot more information from nonprofits. One item required by the new 990 is signed statements of conflict of interest from all board members. Friends will have to be careful not to have business agreements with their board members or they could run afoul of the IRS who understands that nonprofit board members are financially disinterested in the nonprofit they serve.

A board that works!

Other practices that are encouraged are:

- **Program and plan evaluation.** Participants were introduced to both a dashboard evaluation tool for use with a strategic plan to assure that the most urgent items were discussed at a board meeting. The dashboard tool boils the plan down to its key indicators (ex. Specific fundraising goals, number of participants at a given activity, etc.) By looking at these indicators, a board can quickly see what is going well and may not need much discussion and where things are lagging behind and need attention immediately so as not to fail.
- **Board evaluation.** Using a template like “Are We Doing A Good Job?”, Friends boards should annually take a look at themselves and assess if they are doing all they can to assure the success of the organization;
- **Conducting effective meetings.** Some tips for using board members’ time well were discussed.
- **Looking at your organization from a life cycle standpoint.** Many Friends boards are still in the start-up phase. This exercise was intended to alert them to the future and what is needed from the board and program for the Friends to take its best next steps.
- **Organize their committees carefully and efficiently.** Many Friends work as committees of the whole because there are too few hands to do the work. Involving other community people on the committees or time-limited task forces could provide fresh energy and enthusiasm for the sometimes daunting tasks required.
- **Confront the elephant in the room.** The roles and responsibilities of boards were conceived in times vastly different to today. Many of the pieties mouthed by consultants (including those from BCNM!) are terribly hard to implement...how nice it is to be able to wave and say, “Good luck with that!” while exiting the room. But the fact is boards are still legally required, however difficult it is to make them work effectively. So, this article outlines some home truths:
 - Board members must be there for the mission;
 - They must be able to deal with disagreement in a principled way;
 - There must be strong leadership, usually from the Chair who respects his team;
 - There must be a culture of accountability and forgiveness;
 - No one went to school to be a good board member – it is incumbent on the board and its funders to see that board education is available and of high quality

**My concern for the world is not
that there are so many poorly equipped people in it
but that the well-equipped people do so poorly.
Something needs to be added to the current matrix of moral fiber.
I see no alternative but to lay the burden
on those who are already carrying more than their share.
Those who think of themselves as good must become better;
they must become strong...
~On Becoming a Servant Leader, Robert Greenleaf**

Sample Stages of Board Development

Nonprofit boards come in a variety of shapes and sizes, reflecting the diversity of their organizations. In general, boards fall into three broad categories based on the stage of organizational development of the nonprofit: Organizing Boards, Governing Boards, and Institutional/Fundraising Boards (this structure is outlined by Karl Mathiesen, III, in "Board Passages: Three Key Stages in a Nonprofit Board's Life Cycle," a publication of the National Center for Nonprofit Boards).

Most, but not all, boards move from one stage to the next as agencies grow and evolve. Responsibilities, challenges, and the very composition of the board vary from stage to stage (and always, from organization to organization); thinking about this framework might help you to identify some of the key issues and challenges facing your own board.

| Characteristic | Organizing Board | Governing Board | Institutional Board |
|-------------------------------------|---|---|---|
| Organizational Leadership/Ownership | Founder (executive direction) | Balanced between board/staff Board chair & executive director share leadership | Balanced between board/staff Board chair & executive director share leadership |
| Size | Small (3-10) | Medium (10-25) | Large (25-40+) |
| Role | Support the executive director Provide encouragement & advice Frequently volunteering time to assist day-to-day operations "Passive", e.g., follow lead of founder | Governance Responsibility for well-being & longevity of organization Planning, oversight of finances, accountability Some volunteering to build infrastructure | Fundraising (especially from individuals) Governance (same as Governing Board) |
| Composition | Homogeneous, often members of community | More diverse and professional | Usually diverse, most can give or have access to donors |
| Staff | Small, often volunteers (often board members) | Core paid staff supplemented by volunteers (sometimes board members) | Professional staff |
| Style | Informal | More formal | Formal |
| Motivation | Commitment to vision of leader | Commitment to mission | Commitment to mission for some, prestige for others |
| Structure | Little--entire board participates in all decisions | Substantial work done in committees | Delegation of governance to Executive Committee |
| Focus | Operations--keeping the doors open | Governance--increasing effectiveness | Fundraising |

BOARD COMPOSITION MATRIX

| | | DEMOGRAPHICS | | | | EXPERTISE, SKILLS, AND EXPERIENCE | | | | | | | | | | | | | | | | | | ACCESS TO... | | | HOURS AVAILABLE | | | | | | | | | |
|--------------|--|---------------------|--------|-----|-------------------|-----------------------------------|---------------|----------------------|----------------------|--------------------|--------------|-------------------------|----------------------|-------------|------------|-------------------|-----------|------------------------|------------|------------------------|------------|-----------------|----------------|--------------|------------|-------------|----------------------------|--|--|--|--|-------------------|-----------------------|-------------------|---|---|
| | | Years on this board | Gender | Age | Race or ethnicity | Legal | Architectural | City/County planning | Financial/accounting | Political/advocacy | Marketing/PR | Human Res. – Non-profit | Human Res. – General | Real Estate | Technology | Mission Knowledge | Corporate | Small/general business | Government | Media/Public Relations | Non-profit | Public speaking | Writing skills | Visionary | Leadership | Fundraising | Experience on other boards | | | | | People with money | People with expertise | Community leaders | Hours spent per month (excluding board meeting) | Hours available per month (excluding board meeting) |
| BOARD MEMBER | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Board Committees



Much of the decision-making work of many nonprofit boards is managed through committees. Committees can also serve as an important mechanism for actively involving all board members in the agency's work, and for board leadership to emerge. One long-time nonprofit CEO commented, "When a board member remarks to me that the board isn't engaging substantive enough issues, that's a sign to me that he or she hasn't been involved enough by their board committee."

Do all boards need committees?

Most boards have committees because smaller groups can work more efficiently and less formally. (The number of committees should be limited so that individual workloads can be kept manageable if board members sit on two or three committees, their time is spread too thin for the committees to be effective.) Committees can play a helpful role in building teamwork among larger boards. While they require more administrative management from the staff and board president, they also divvy up tasks and expertise efficiently.

Increasingly, some boards are choosing not to have any committees at all. In some cases, work can be more efficiently performed by individual board members working directly with staff (such as the treasurer working directly with staff on financial affairs). In other cases, an ad hoc committee or task force is formed to complete a particular task within a few months. Many board members feel more comfortable signing on to a temporary, ad hoc committee than to a permanent standing committee. In addition, assigning responsibilities to individuals rather than to committees may result in fewer meetings and more efficient work.

What is a board committee supposed to do?

The role of a board committee can be to prepare recommendations for the board, to decide that a matter doesn't need to be addressed by the full board, to advise staff and/or in some cases, to take on a significant project. For example, a detailed review of the cash flow situation may take place on the Finance Committee, which then recommends to the board that a line of credit be established. Although the full board is responsible for the decision they make, board members rely on the diligence and thoughtfulness of the Finance Committee in making the recommendation. In another example, the fundraising committee will develop a fundraising strategy, which is brought to the board for approval. Anyone on the board can object, and the board can still reject the plan or ask the committee to revise it. Over time, committees gain the confidence of the board by doing their work well.

Can people other than board members serve on committees?

In some organizations, board committees are comprised only of board members. In other organizations, committees have both board members and non-board members. For example, a Latino organization may have a site relocation committee comprised equally of board members (who are all Latino) and non-board members (some of whom are Latino and some of whom are not). Having non-board members on committees invites specialized expertise, from people who may not have time to serve on the board, or individuals who may be inappropriate for full board membership.

Board Committee Job Descriptions

It goes without saying that there is no one-size-fits-all committee list for boards, or what the responsibilities or activities should be for each committee. In the last issue of the Board Café, we discussed when boards should have committees (if at all!), and how some boards make effective use of committees. In this issue we offer committee job descriptions for 15 committees, but your own organization will construct the committees that are appropriate for your own situation, and use these descriptions as a reference for your own committee job descriptions.

Fundraising Committee

The Fundraising Committee's job is not simply to raise money. Instead, the Fundraising Committee is responsible for overseeing the organization's overall fundraising and, in particular, the fundraising done by the board. To accomplish this, its responsibilities are:

- To work with staff to establish a fundraising *plan* that incorporates a series of appropriate vehicles, such as special events, direct mail, product sales, etc.
- To work with fundraising staff in their efforts to raise money
- To take the lead in certain types of outreach efforts, such as chairing a dinner/dance committee or hosting fundraising parties, etc.
- To be responsible for involvement of all board members in fundraising, such as having board members make telephone calls to ask for support, and
- To monitor fundraising efforts to be sure that ethical practices are in place, that donors are acknowledged appropriately, and that fundraising efforts are cost-effective.

Finance Committee

The Finance Committee (often called the Budget and Finance Committee) tasks are:

- To review budgets initially prepared by staff, to help develop appropriate procedures for budget preparations (such as meaningful involvement by program directors), and on a consistency between the budget and the organization's plans
- To report to the board any financial irregularities, concerns, opportunities
- To recommend financial guidelines to the board (such as to establish a reserve fund or to obtain a line of credit for a specified amount)
- To work with staff to design financial reports and ensure that reports are accurate and timely
- To oversee short and long-term investments, unless there is a separate investments committee
- To recommend selection of the auditor and work with the auditor, unless there is a separate audit committee, and
- To advise the executive director and other appropriate staff on financial priorities and information systems, depending on committee member expertise.

Board Development Committee

In some ways the most influential of all the committees, the Board Development Committee (sometimes called the Nominating Committee or the Committee on Trustees) is responsible for the general affairs of the board. While the specific tasks of this committee vary greatly from organization to organization, they usually include some or all of the following responsibilities:

- To prepare priorities for board composition
- To meet with prospective board members and recommend candidates to the board
- To recommend a slate of officers to the board

- To conduct orientation sessions for new board members and to organize training sessions for the entire board, and
- To suggest new, non-board individuals for committee membership.

Program Committee

The Program Committee is often comprised of board members who are most familiar with the approaches and operations of the organization's programs. (Some boards feel that the organization's program--its "products"--should be overseen by the whole board.) Depending on its make-up and programs, this committee's most common responsibilities are:

- To oversee new program development, and to monitor and assess existing programs
- To initiate and guide program evaluations, and
- To facilitate discussions about program priorities for the agency.

Other Board Committees

Executive Committee

Sometimes an organization with a large board forms an Executive Committee, which is a smaller group that meets more frequently than the full board. Some Executive Committees are comprised of the board officers; others include committee chairs; and some choose other configurations, such as the board officers and the Fundraising Committee chair. A risk with Executive Committees is that they may take over decision-making for the board, and other board members will feel they are only there to rubber stamp decisions made by the Executive Committee.

Audit Committee

The role of the Audit Committee encompasses interviewing auditors, reviewing bids, recommending selection of an auditor to the board, receiving the auditor's report, meeting with the auditor, and responding to the auditor's recommendations. For many organizations, the annual audit is the only time the organization's financial systems are reviewed by an independent outsider, and as a result the auditor's report is an important mechanism for the board to obtain independent information about the organization's activities. On smaller boards, the functions of the Audit Committee are managed by the Finance Committee.

Personnel Committee

The functions of the Personnel Committee include drafting and/or revising personnel policies for board approval, reviewing job descriptions, establishing a salary structure, and annually reviewing staff salaries, and reviewing the benefits package. In some organizations the board's Personnel Committee also acts as a grievance board for employee complaints. Because difficulties can arise if many less serious complaints are brought directly to the board rather than to the staff person's supervisor, it is preferable for the personnel committee to act only on formal written grievances against the executive director or when an employee formally appeals a decision by the executive director to the board.

Public Policy Committee

Organizations whose mission includes Public Policy or education may create a Public Policy Committee that stays informed on relevant matters and brings proposals to the table for a board position or an organizational activity. For example, a Public Policy Committee might draft a written position paper related to pending cuts in welfare funding or propose that the board join a coalition of neighborhood nonprofits protesting the closure of a park.

Management Oversight Committee for geographically distant boards

Boards where the members are geographically distant from one another have a difficult time keeping in touch with the work of the staff. The board may only meet twice a year or quarterly, and much of the contact among board members may be through e-mail or just with the staff. To ensure financial and legal oversight in between board meetings, some boards establish a Management Oversight Committee (MOC), which meets every 6 weeks and where two of the three members live near the office (the out-of-state member participates by phone). This committee has finance, audit, legal and personnel responsibilities which might be done by separate committees if the organization were larger and working in only one city. The MOC provides a report on the organization's operations to each board meeting.

Temporary Committees

Some committees are convened on a temporary basis to address a specific, single event or issue. Often called ad hoc committees, they meet for a few months and then disband once their task is completed. Commonly used temporary committees and their designated tasks include:

- Site Committee: To work with staff to evaluate the existing location and consider a move to a different location, to review a new lease, or to weigh the feasibility of purchasing a building.
- Special Event Committee: To coordinate the board's assignments on a particular event, such as an annual dinner.
- CEO Transition or Search Committee: To seek a new executive director, including recommending guidelines and a search process to the board, to take steps to help the new executive succeed. Some search committees hire the new executive director, while other search committees present a group of candidates to be evaluated by a different committee or the whole board.
- Merger Committee: To pursue a possible merger with another organization, and to bring information and recommendations back to the full board.
- Planning Committee: To lead a strategic planning endeavor (the planning committee may consist of both board and staff members).
- Special Issue Committee: To investigate an unusual problem or opportunity, such as negative publicity in the newspaper, deep staff resentment against the executive director, an unusual grant opportunity or a possible joint project with another organization. Setting up a Special Issue Committee to research the situation and report back to the board ensures that decisions are based on adequate information.

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Are We Doing a Good Job?

By Jan Masoka, CompassPoint Nonprofit Services



This evaluation will solicit opinions on the functioning of the board on an interactive, perceptive level.

Overall, how would you rate the following:

| | No opinion | Terrible | Not very good | Good | Great |
|--|------------|----------|---------------|------|-------|
| The quality of the agenda (topics, supporting materials, focus) | | | | | |
| The quality of the meeting (time well spent, appropriate interaction, meaningful dialogue) | | | | | |
| The feeling that your individual opinions are understood | | | | | |
| The feeling that your individual opinions are valued | | | | | |
| The trust level among Board members | | | | | |
| The ability to stay focused on the agenda | | | | | |
| The level of respect board members have for each other. | | | | | |
| The quality of information we have to support decision making | | | | | |
| The quality of our decisions | | | | | |
| Interactions with Staff | | | | | |
| The clarity of the board and committees responsibilities | | | | | |

Comments:

1. What are the three biggest issues facing us as a board?
2. What issues must or must not be discussed during the next few meetings?
3. If you could change two things about how the board operates what would they be?

Tapping Your Board's Intellectual Capital

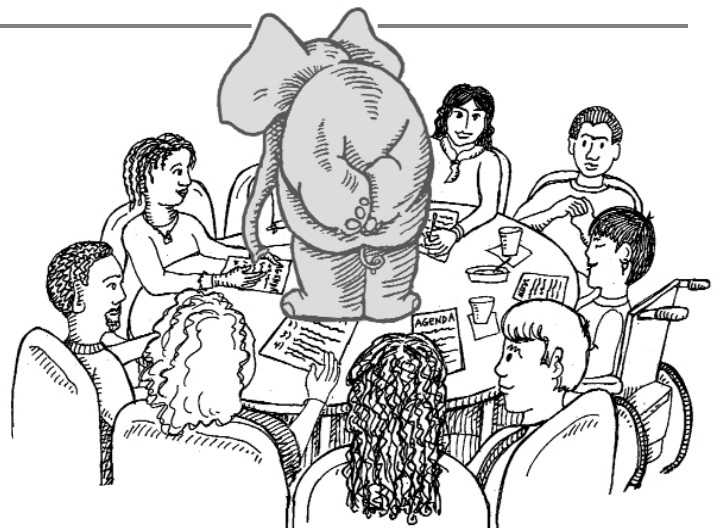


Dick Chait of the Harvard Business School's 6 Questions for Boards

1. What is the legacy this board will leave for future boards to treasure?
2. What would be the greatest consequence to the organization if the board did not meet or operate for three years?
3. How would the board respond if a donor were prepared to contribute \$50 million based on one idea that would make the organization distinctive and distinguished in its domain?
4. What is the most persuasive and concrete testimony this board will offer in 2013 to indicate that the organization's vision in 2008 was effectively enacted?
5. Imagine an article or a news report that would most change this organization for the better. What would be the headline and in what publication would it appear? What about an article that would change the organization for the worse?
6. What would the organization do differently if it were a for-profit? What would it do better? What would it do worse?

From an article in *Board Member: The Periodical for Members of Board Source*, January 2002

THE ELEPHANT IN THE BOARD ROOM: ROUND ONE



By KIM KLEIN, AMANDA BALLARD and MANAMI KANO

Most people have heard the phrase “the elephant in the living room” to refer to a giant problem that no one is talking about. We who work in the nonprofit sector have a number of elephants, but the biggest one in the herd is the board, followed closely by the many efforts to fix the board. We act as though a little restructuring here and a little training there will fix up a board so that it’s productive and functioning smoothly again. But we also know deep down that this is not the case. It is time to name this elephant and to bring into the open a real process for finding out how boards could actually work.

Here at the *Grassroots Fundraising Journal* and a sister organization, the Building Movement Project, we have been on a search for a model or models of board functioning that would actually work for the non-traditional organizations that comprise our constituency. With funding from the Brainerd Foundation, we conducted an intensive literature review and an in-depth examination of some organizations that have tried alternatives to the various traditional board models. We have led a few workshops, held a number of phone interviews, and had dozens of informal conversations with board members, development directors, executive directors, consultants, funders, volunteers, and academics about the topic of board functioning.

Our focus is on organizations with budgets of less than \$2,000,000, with boards that are self-selected or elected, and with missions that focus on issues of social change, social justice, advocacy, or the environment. These broad categories often include organizations devoted to arts and culture, community organizing, social service, and public interest law, as well as think tanks, and so on. We are most interested in organizations that care about diversity on the board and staff and that seriously want to be institutions, not just the vision or hobby of one or two people.

The organizations we work with must raise money every year. They generally do not have endowments, and they are not so famous as to be able to expect their annual

operating budgets to appear without significant effort. Their board members are, with a few exceptions, not wealthy, and fundraising is a struggle. Any new suggestions must include board involvement in fundraising in a significant way without changing a commitment to economic diversity.

With this paper, we want to share what we have learned so far and suggest some new ways of thinking about boards. Even more important, we want to initiate a dialogue in order to examine this elephant: What does it look like? How did it get this way? How can we begin to solve the problem the elephant represents? We hope you will share your own thoughts on this topic and your experience in trying new things: What has worked, what hasn’t? Do you think what we are suggesting might or might not work, or how could it be improved?

Consider what follows “round one” of this discussion.

THE PROBLEM, THE PREMISES, THE QUESTION

We start by identifying the problem as we see it, followed by two premises that must underlie any attempts to “fix” board functioning. Then we articulate the main question that needs to be answered.

The Problem: By law, nonprofits must be governed by a board of directors. However, most boards do not function well.

Background: When nonprofit law was created in the 1950s, the model of a board comprised of volunteers who had abundant time to carry out the work made sense: there were only 30,000 nonprofits, which translated into about 510,000 board slots (assuming an average board size of 17 members). At that time, what we think of as the standard model of board functioning also made sense: volunteers gave their time to supervise paid professionals; assumed legal, moral and fiscal responsibility for the organization; engaged in fundraising, created policy, and evaluated programs. Board members ideally did all this while maintaining harmonious relationships with staff.

Moreover, this same group of people was expected to recruit new board members who moved into the work seamlessly, and all this happened year in and year out. While this structure might have worked then, today its success as a model seems about as likely as being struck twice by lightning.

Fifty years and counting after the law was created, things are vastly different: there are 1.5 *million* nonprofits; they need about 25.5 *million* people to fill their board seats. Economic times have changed: whereas previously many people, mostly women, had time to volunteer on boards, today more women are working full time and both men and women are often working more than one job. Volunteer time for board participation has diminished even as the need for it has increased.

A major corollary of this shift in people-power is that those who do join boards often don't learn all they need to fulfill their fiduciary responsibilities. They learn on the job, they learn badly or only part of what they are expected to do — and both board and staff end up frustrated.

Premise #1: To be effective and able to roll with the winds of change; to remain fully mission-driven, with a diversity of staff, volunteers and funding yielding enough money and time to do the work; to really be about the business of making their communities better places to live — to accomplish all this, nonprofit organizations need strong boards.

Premise #2: Staff and board members must have a strong commitment to the mission of the organization. This commitment implies a clear understanding of the work of the organization and an ability to articulate that understanding to friends, colleagues, donors, funders and the general public.

The Question: What kind of model or models of board functioning will work — that is, enable these two premises to be fulfilled — for the kinds of organizations we are most concerned with?

OLD SOLUTIONS

A small industry of consultants (including those associated with the *Grassroots Fundraising Journal*) has arisen to try to help organizations answer this question. There are literally thousands of articles, dozens of web sites, and hundreds of books and videos with prescriptive solutions to the problems boards face.

Responding to the first premise, many consultants, practitioners, and academics have come up with a variety of structures to try to improve how boards operate. Each of these structures has useful features. Nonetheless, new problems keep cropping up. We are no sooner done with advising one organization than a dozen more are on the horizon needing help. So, while we have been working around the

elephant, we may have merely created new paths for her to lumber along until she reaches yet another dead end.

NEW DIAGNOSIS: FOCUS ON PROCESS, NOT STRUCTURE

There is in fact no *structural* solution to this problem. Many boards work for some period of time — the chair is good, the ED works well with the board, the committees click. Every structure works for a while, and then doesn't seem to work any longer. Some new structure is needed to kick-start the board into better functioning.

What we need is to analyze, document and develop the *process* by which an organization would choose one structure over another at any given time, and the process by which they would move on to a new structure when the old one no longer works. In this new approach, all structures would be temporary and permeable, more like tents than buildings.

The solution to the problems of boards is, in other words, a *process* solution. Instead of subscribing to the paradigm, "We restructured and now we don't need to do that," we would instead use the notion, "We have figured out how to continually create ourselves so that we are operating from our individual and collective strengths, which are constantly evolving."

The process we are looking for has these characteristics:

- Simple to use
- Easy to understand
- Replicable
- Inexpensive to implement
- Will produce fairly immediate payoff to maintain motivation
- Able to cross class, race and age lines
- Applicable to a range of issues (environment, social service, organizing, arts, etc.)
- Useful for national as well as local groups
- Able to make a measurable difference in six months
- Flexible

WHAT WE LEARNED FROM THE LITERATURE REVIEW

The literature about boards comes in two broad types: prescriptive and academic. The prescriptive literature is what Grassroots Fundraising, CompassPoint, BoardSource, and many writers and consultants have created. Although our experience has shown us that this literature is helpful, and although we continue to produce it, we know it only goes so far.

Prescriptive literature instructs boards on how to be effective, usually recommending that they use certain structures, get a lot of training, do proper recruitment, run

their meetings in interesting ways, and so on. Academic literature, on the other hand, proposes large theoretical changes or analyzes the problem. Most academic literature suggests solutions tentatively; the writers are clear that their suggestions have not been tried. Academics and practitioners rarely seem to talk with each other, and it seems from the literature that practitioners rarely translate the suggestions developed from academic research into prescriptive actions. Most rare was literature of either kind that spoke specifically to our types of organizations.

Even so, much of what we read was thought-provoking and helpful. You can download an annotated bibliography at www.buildingmovement.org/artman/publish/resources.shtml.

Two books were of particular help in creating the suggestions contained in this essay: *Governance as Leadership: Reframing the Work of Nonprofit Boards*, by Richard P. Chait, William P. Ryan, and Barbara Taylor (BoardSource, 2005), and *The Structure of Women's Nonprofit Organizations*, by Rebecca L. Bordt (Indiana University Press, 1997). Also useful was an unpublished paper by Pat Bradshaw and others called "Nonprofit Governance Models: Problems and Prospects" (summarized at bsbpa.umkc.edu/mwcnl/research/renz/boards_and_governance.htm).

In *Governance as Leadership*, the authors suggest that boards think and govern more as leaders than as managers; that in addition to fiduciary and strategic governance, and beyond offering advice, expertise, and fundraising, boards also engage in what the authors call "generative leadership." Rebecca Bordt looks at women's organizations in New York City founded between 1968 and 1988 to document how ideas about organizational structure have changed. She finds that "Women today are creating hybrid forms of organization that combine, in innovative ways, the best characteristics of both" bureaucracies and collectives. Pat Bradshaw and her colleagues note that there is no "one best way" of nonprofit governance. They examine existing models and encourage innovation and creativity in creating new models that are hybrids of existing and emerging models.

KEY LEARNINGS

Two key points emerge from both the literature review and our interviews with organizations that have tried various alternative models. The first is that there is no one fixed solution to the problem; as noted above in our new diagnosis, organizations are not only going to have to find what works for them, they must also — and this is the critical feature — anticipate how they will need to change models as their circumstances change.

The second key point is that even though there is no

one way, there are five things that all workable processes and models have in common:

- As mentioned earlier, **a commitment to and clear understanding of mission.**

- **A process for surfacing and dealing with disagreement in a principled way.** By principled, we mean people feel free to express their opinions and are open to hearing the opinions of others. Too often, the executive director, board chair, or even individual board members equate disagreement with disrespect and questions with criticism or lack of confidence in organizational leadership. Boards whose membership crosses cultural lines may have someone who is comfortable interrupting or talking loudly right next to someone who finds those behaviors intimidating or rude. Different cultures ascribe different meanings to the same words; "I'll try to do that" can mean anything along the spectrum from "I will do everything I can to get that done" to "No way am I even going to start on that." Boards that include people whose first language is not English (or the dominant language of the board), can have misunderstandings from the way things are translated.

- **Leaders, especially at the executive director and board chair level, who want to create a working team.** The best leaders are those who genuinely like working with people and are willing to spend time on this process. Our interviews and workshops revealed control issues in which there is a refusal to share or delegate power or a desire to be the main person associated with the organization. We were told by two different board chairs, "I don't like meetings." An executive director said, "I founded this organization; it is mine, and I should have the most say about what happens." While people like this may be gifted, they are not suitable candidates for the jobs they have.

- **A culture of both accountability and forgiveness.** When someone says they will do something and they don't, it should not be ignored, but neither should it be used as the last word about this person. Too often, we find that an executive director equates failure by a board member to keep one commitment as an inability to keep any commitment. Similarly, staff and consultants will mistake board members' doubt and uncertainty about their ability to raise money as a refusal to be part of the process of fundraising. Over time, a culture develops in which failure to follow through on the part of the board and "I'll do it myself" on the part of the director become the norm.

- **Training and education.** People cannot be expected to know their job if it is not explained to them, often several times and in several ways. This element of successful board functioning is already well developed and much exists in the prescriptive literature.

NEW WAYS TO LOOK AT PROBLEMS

Now let's look at three common organizational issues and how they might be solved using both the new diagnosis and the principles just enumerated.

PROBLEM 1: No One Wants to Chair the Board

To solve this common problem, we try to figure out its component parts and address each part, rather than following the usual route, which is to browbeat someone into reluctantly taking on the role. The first step is to ask each board member what exactly they don't want to be or do when they say they don't want to be the chair and to push each person for a deeper explanation until we have a very specific list. For example, if someone says, "I don't have the time," we ask, "Time for what? What are you going to be asked to do as the chair that you are not asked to do now?" The list we develop will have some or all of the following reasons for not wanting to be board chair: don't like to run meetings, don't know how to read a balance sheet, schedule is too chaotic to show up for every meeting, not good at dealing with disagreement, don't understand exactly what the chair does. Using this list, one or more of the following things could happen:

- *One person could realize that she thought the role of the chair had far more responsibility than it does, and that she can make a commitment to be the chair.* If everyone agrees she would be a good chair, the problem is solved without changing the structure of the board at all.

- *People could divide up tasks, which is a common structure now.* One person designs the agenda and runs the meetings; another is in charge of all other tasks.

- *The entire board could realize that they need some training.* Maybe no one knows how to read a balance sheet, or maybe everyone would like a training in conflict resolution.

- *The group could decide that the position of chair will rotate, with each person holding the job for some short period of time,* such as two months, or four meetings, or through a hiring or a capital campaign.

There are other reasons that people might not want to be the chair, such as board members are intimidated by the executive director; several people on the board actively dislike each other; the organization is going through a scandal or a difficult transition. They are too complicated to deal with here but would make interesting case studies.

PROBLEM 2: Executive Director Feels that the Board Micromanages

Overinvolvement at too detailed a level is one of the most common complaints executive directors have about active boards. Sometimes this tension can be resolved by a

detailed clarifying of roles and responsibilities. In younger grassroots organizations, board members pitch in and do what needs to get done — often without a lot of thought as to whether it is their job. As the organization grows, board members may keep doing that, without realizing that their work begins to interfere with that of the staff.

Sometimes, however, there is a fundamental disagreement about roles. Perhaps the ED does not want the board to be engaged, except in fundraising. Chait and others point out that such an ED attempts to keep the board at such a great distance from day-to-day operations that they actually have little idea about what is going on. In such a situation the board's governing role can fade and the staff-board relationship easily become adversarial.

To solve this problem will require a more in-depth examination. Too often organizations in this situation look only at the role of the board. A new approach would also look at the role of the executive director: What would it take for the ED to welcome the work of the board? What work would be both useful and in keeping with the board's mandate? What does the ED actually need and what does the board need from the ED to work as team members all playing on the same side? What new roles might the board look to develop, such as Chair's "generative leadership"?

Micromanaging lends itself to an easy solution: stop it. But moving right to a solution will obscure the real issues, so in this problem, the goal would be to stay in a questioning, not-doing mode for a while to make sure that all the right questions had finally surfaced.

PROBLEM 3: Meetings Are Boring

The traditional meeting format is soporific. A series of reports, some requiring discussion and some decisions, follow one after the other. Motions are made and passed. A board member's only hope is that one of their colleagues has an entertaining presenting style or that the meeting is so well run that it doesn't last long.

Using a new model, the people designing the agenda might use different training and teaching techniques at each meeting or for each topic. For each item we would ask, "What do we want from this item?" More understanding? More engagement? Better follow-through? Volunteering for tasks? Final or interim decisions?

Moreover, we might ask, how can this agenda item come to life so that the board can put its best thinking on it? Perhaps one item would be done as a skit, some as role plays, some in the whole group, some in smaller groups. Board members might be asked to draw or to take a few minutes to write something, then pass it to the next person. Rather than being over quickly, the sign of a good meeting could be that people leave reluctantly, the way they would a great lecture or a stimulating dinner party.

The New Models

A number of new models of organizational behavior are being described as both practitioners and theorists grapple with the problem of boards. Dee Hock, the former CEO of VISA, coined the term *chaord* to describe an organization that runs on a synthesis of the best elements of chaos and order, while being dominated by neither. The concept of chaord has spawned a small industry itself: enter the word into a search engine and read some of what comes up. For our purposes, the notion of chaord — of “adapting organizations to their environment from the inside out,” as one web page puts it — came close to describing the process we were looking for: flexible, creative, able to change quickly, fun, with ownership shared by the whole group, tasks divided over the group, and members of the group able to do each other’s tasks, lots of communication, and powered by a deep commitment to values. (A familiar metaphor that captures some of the same elements is “team.”)

Pat Bradshaw and colleagues looked at a number of organizational models, including chaord, and developed a hybrid they called an “emergent cellular” model. While, as she admits, the model “is so new and is currently not well developed either theoretically or in practice,” it is nonetheless an interesting one to consider. Here is how Bradshaw describes it:

The emergent cellular model is characterized by distributed networks and continuous and organic innovation.... Cellular organizations are made up of cells (self-managing teams, autonomous business units, operational partners, etc.) that can operate alone but that can also interact with other cells to produce a more potent and competent organizational mechanism. It is this combination of independence and interdependence that allows the cellular organizational form to generate and share the know-how that produces continuous innovation.

Bradshaw noted one organization that had committed itself to this emergent cellular model of governance — the then newly created Canadian Health Network (CHN). CHN’s job is to provide reliable, easy-to-access, Internet-based health information to Canadians. CHN was itself a network of at least 500 health organizations throughout Canada, so trying this new model with them allowed a number of ideas to be tested. CHN renamed the model “organic mobilization” and described it this way:

Organic mobilization is based on the metaphor of healthy non-cancerous cells in the human body. Healthy cells grow, replicate and ultimately die. In contrast, cancerous cells cannot die and are characterized by unbridled growth. Similarly, healthy cells can commune with other cells around them and they have tumor-suppressing genes.

Our proposal is to use these concepts of chaord, team, emergent cellular model, and organic mobilization to create discussion about new board models. We hope that some organizations will be willing to try these concepts on and report as they develop some real experience with them.

As you can see, the process model is not applied in the same way for each problem. For some problems, we look for very practical, but out-of-the-box solutions. For other problems, we seek to surface all the questions and know that a solution proposed too early will simply cut off important analysis. For still other problems, we look for all kinds of ways to engage people, knowing that adults have myriad learning styles and that if we are going to take advantage of all the people in the room, we have to have something for each of them. (We intend to gather and publish more case studies as we go along.)

CONCLUSION OF ROUND ONE

Boards are the mainstay of nonprofit organizations, but as currently configured and structured, they are not doing the job they must do. One way to approach how boards might function more effectively is through a radical rethinking away from the notion of searching for the one fixed structure that will work and toward a more fluid understanding of the variety of ways in which boards can carry out their work. New understandings about what makes boards work and new models propose that boards remain flexible, engaging a variety of people in a variety of structures that change as needs change. Fluidity is the main characteristic of these new models. “How can we best do what we need to do now?” becomes the operational question.

YOUR TURN: ROUND TWO

We very much want your feedback, your experience and your questions. Perhaps you have a thorny organizational issue, and you would like to see what a process solution might look like. Perhaps we have not been clear enough in some of our points: Please feel free to ask specific questions. Perhaps you think there is a whole other way of thinking about governance: Please propose it.

The goal of this project is to generate discussion and to continually revise our thoughts every two or three months to reflect new thinking, or to compile opposing thoughts in a “Point, Counterpoint” fashion. In other words, just as with the board functioning, it is our goal to discover. Please join us in this organic process. The outcome is bound to strengthen us all. **GFJ**

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Ten Effective Board Meeting Tips



Adapted from *The Nonprofit Times*, July 2000

1. Agree on the organization's mission.
2. Clearly define the desired outcomes.
3. Ensure that everybody is talking about the same thing at the same time. Clarify the issue under discussion whenever necessary.
4. Require advance reading. Provide materials for review one week in advance.
5. Place time limits on the agenda.
6. Block out dates for future meetings for one year.
7. Be determined to create opportunities to involve all board members. Create a culture of engagement – everybody plays, everybody wins.
8. Remember confidentiality rules. Telling negative stories in the community has a half-life of uranium...
9. Value constructive dissent. But, when the conversation is over – and the vote taken; in public, it's a board decision – supported by all.
10. Annually provide adequate opportunities for the board to meet in executive session.

None of us is as smart as all of us

- Warren Bennis

If you're not confused, you don't know what's going on...

- Corporate CEO, quoted by Warren Bennis