

The
BOARD BUILDING
Cycle

*Nine Steps to Finding, Recruiting, and Engaging
Nonprofit Board Members*

Second Edition

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Introduction

As we have seen, the matter of selection goes deeper than the choice of the 'right' people. There are indeed some men and women who, because of innate capacity or wealth or position in the community, would be welcome additions to almost any board. Most of the time, however, the selection of board members should be made by deciding who is 'right' for a particular board, who can strengthen it, and who can give it the distinctive qualities that it needs at the present moment.

— Cyril O. Houle

It is a scenario repeated all too often. Annual elections are coming up, the board hastily forms a nominating committee, and members scramble to find willing candidates to fill the open positions, often choosing less-than-ideal replacements in the interest of time.

The trouble is, potential good board members are in short supply. Every year thousands of board positions need to be filled throughout this country. Every year more and more people decide that the myriad of demands on their time makes it impossible to accept the invitation for board service. Every year organizations in every community compete for good board members. Every year many will settle for finding enough people willing to serve whether or not they are the right people for the job.

But the job of building the board is more than just filling slots. It is about being strategic in the way a board looks at its composition and its operations. Rapid changes in the nonprofit sector have required that organizations take a closer look at not only how the business of the organization is conducted, but how decisions are made and by whom. Scandals in both the for-profit and the nonprofit sectors have led to increased attention by public media as well as by state and federal authorities.

An effective board is becoming a strategic necessity, not only a legal requirement. The most effective boards — those whose members are deeply committed to the organization's mission, who bring expertise in key areas, and who represent diverse points of view — evolve over time through careful planning. Should a pivotal board member suddenly depart, the board is not caught off-guard because it continually works to identify and cultivate potential candidates.

THE WORK OF THE GOVERNANCE COMMITTEE

Traditionally, the committee that fills the role of recruiting new board members has been called a “nominating committee.” In this book I will use the term “governance committee” instead, thus broadening the group's scope and expanding its importance. This committee tackles one of the principal responsibilities of the board: to ensure that the board continuously strives to be as effective as it can be.

The governance committee is more proactive than the traditional nominating committee. That may mean recommending, due to a strategic shift in the organization, that a new board member with special expertise be brought on to the board. It could also mean asking another person to step down to make way for someone with skill sets more appropriate to the growing, changing organization. It may mean taking notice of board malaise (waning attendance or declining discussions) and recommending corrective action. Such action could include calling for an executive session or conducting a board self-assessment to discover the root of the problem and to determine what to do to turn things around. The governance committee's work is vital to the health of the board and of the organization. It is the board's mechanism for looking after itself. In their book *Improving the Performance of Governing Boards*, Richard P. Chait, Thomas P. Holland, and Barbara E. Taylor

BOARD ROLES AND RESPONSIBILITIES

Establish Direction

- Develop and maintain focus on mission and vision.
- Establish strategic direction.
- Delegate authority for organizational management.
- Articulate, safeguard, model, and promote organizational values.

Ensure Resources

- Develop policies related to the generation of financial resources.
- Ensure that the necessary resources are made available for implementation of the mission.
- Ensure that the organization has the leadership needed at both the staff level and the board level.

Provide Oversight

- Establish financial policies and ensure accountability.
- Ensure compliance with applicable laws and ethical standards.
- Monitor progress toward strategic goals and evaluate outcomes

INDIVIDUAL BOARD MEMBER RESPONSIBILITIES

- Attend all board and committee meetings and functions, such as special events.
- Stay informed about the organization's mission, services, policies, and programs.
- Review agenda and supporting materials prior to board and committee meetings.
- Serve on committees and offer to take on special assignments.

emphasize the central role of this committee — which they call the trusteeship committee: “For many boards, the trusteeship committee or board affairs committee, plays the most pivotal role in board development. With a broader charge than the typical nominating committee, the trusteeship committee bears explicit responsibility for board development, education, and assessment, as well as the recruitment of new members.”

The Board Building Cycle emphasizes the key role of the governance committee and presents an overview and a road map to this process, discussing each phase in detail. The book can be used to prompt board members to rethink their entire board development process. Or it can be the basis for a mini self-assessment by asking

- Make a personal financial contribution to the organization.
- Inform others about the organization.
- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization.
- Keep up-to-date on developments in the organization’s field.
- Follow conflict-of-interest and confidentiality policies.
- Refrain from making special requests of the staff.
- Assist the board in carrying out its fiduciary responsibilities, such as reviewing annual financial statements.

PERSONAL CHARACTERISTICS NEEDED IN BOARD MEMBERS

- Ability to listen, analyze, think clearly and creatively, and work well with individuals and groups.
- Willingness to prepare for and participate in board and committee meetings, ask relevant questions, take responsibility and follow through on a given assignment, contribute personal and financial resources in a generous way according to circumstances, open doors in the community, and evaluate oneself.
- Willingness to develop certain skills, such as cultivating and soliciting funds, cultivating and recruiting board members and other volunteers, reading and understanding financial statements, learning more about the substantive program areas of the organization.
- Possess honesty; sensitivity; tolerance of differing views; a friendly, responsive, and patient approach; community-building skills; personal integrity; a sense of values; concern for your nonprofit’s development; and a sense of humor.

Adapted from *Six Keys to Recruiting, Orienting, and Involving Nonprofit Board Members* by Judith Grummon Nelson, BoardSource, 1993.

members to identify parts of this cycle that are noticeably strong or weak, then discussing plans for making improvements.

This book is intended not only for charitable organizations where the board is charged with selecting its own members, but also for organizations where the authority to appoint new board members rests elsewhere. In those cases, such as associations whose members elect the board, the governance committee can use this book to assess the organization's needs and, at any particular time, present the electorate with information about the attributes needed in new board members and provide concrete suggestions of qualified individuals. The same is true where some or all of the board members are appointed by public authorities or leaders of the parent organization. Boards that do not have formal governing responsibilities, but serve a more advisory role, can also make good use of the information in this book because the value of the decisions made and the advice provided depend to a large extent on the combination of resources available on the board. Appointing authorities may need help to see that their self-interest may be best served by heeding the recommendations provided by the governance committee.

While the governance committee is essential to building an effective board, equally important is the role of the board chair and the chief executive. Not only do they often have important contacts in the community that may lead to new board members, they shape the ongoing work of the board. Developing board meeting agendas, engaging board members in the work, and providing information are responsibilities shared by the board chair and the chief executive.

While the board building process is defined as having nine steps (see page xiii), it may be useful to consider that the process has two major purposes:

1. To replenish the board's people-power by bringing in new members

As outlined in Steps 1 – 4

- Identify what the board needs.
- Cultivate potential new members.
- Recruit the ones that best fit the profile of what the board needs.
- Orient them to effective service.

2. To strengthen the board's performance

In Steps 5 – 9

- Involve all members of the board.
- Educate them about the organization.
- Assess the board's performance.
- Rotate responsibilities and membership.
- Strengthen the board's morale by celebrating its accomplishments — both big and small.

GOVERNANCE COMMITTEE JOB DESCRIPTION

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

1. Board Roles and Responsibilities

- Leads the board in regularly reviewing and updating the board's description of its roles and areas of responsibility, and what is expected of individual board members.

2. Board Composition

- Leads in assessing current and anticipated needs related to board composition, determining the knowledge, attributes, skills, abilities, influence, and access to resources the board will need to consider in order to accomplish future work of the board.
- Develops a profile of the board as it should evolve over time.
- Identifies potential board member candidates and explores their interest and availability for board service.
- Nominates individuals to be elected as members of the board.
- In cooperation with the board chair, contacts each board member to assess his or her continuing interest in board membership and term of service and works with each board member to identify the appropriate role he or she might assume on behalf of the organization.

3. Board Knowledge

- Designs and oversees a process of board orientation, including providing information prior to election and as needed during the early stage of board service.
- Proposes and assists in implementing an ongoing program of board information and education.

4. Board Effectiveness

- Initiates periodic assessment of the board's performance. Proposes, as appropriate, changes in board structure and operations.
- Provides ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness.
- Regularly reviews the board's practices regarding member participation, conflict of interest, confidentiality, etc., and suggests improvements as needed.
- Periodically reviews and updates the board's policy guidelines and practices.

5. Board Leadership

- Takes the lead in succession planning, taking steps to recruit and prepare for future board leadership.
- Nominates board members for election as board officers.

The Governance Committee Job Description is adapted from the work of Fred Miller, Chatham Group, Inc.

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.

The following pages provide an outline of the roles and responsibilities of the board as a whole and for individual board members. In addition, you will find a job description for the governance committee and a summary of the nine steps involved in the board building cycle.

Included with this book is a CD-ROM containing the forms, worksheets, and sample documents presented in each of the steps. The documents are available in Microsoft® Word® and text formats and can be easily customized to suit the needs of individual boards. New to this edition of the book, the CD-ROM now includes the BoardSource board orientation tool *Presenting: Board Orientation*. This PowerPoint® program provides users with slides that can be easily customized for a board orientation session. See the Appendix on page 75 for more detailed information about the accompanying CD-ROM.

THE BOARD BUILDING CYCLE

Step 1: Identify the needs of the board: the skills, knowledge, perspectives, connections, etc., needed to implement the strategic plan. What do you have? What is missing?

Step 2: Cultivate sources of potential board members and identify individuals with the desired characteristics. Ask current board members, senior staff, and others to suggest potential candidates. Find ways to connect with those candidates, get them interested in your organization, and keep them informed of your progress.

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.

Step 4: Orient new board members both to the organization and to the board explaining the history, programs, pressing issues, finances, facilities, bylaws, and organizational chart. Describe committees, board member responsibilities, and lists of board members and key staff members.

Step 5: Involve all board members. Discover their interests and availability. Involve them in committees or task forces. Assign them a board "buddy." Solicit feedback. Hold everyone accountable. Express appreciation for work well done.

Step 6: Educate the board. Provide information concerning your mission area. 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.

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

Step 8: Rotate board members. Establish term limits. Do not automatically reelect for an additional term; consider the board's needs and the board member's performance. Explore advisability of resigning with members who are not active. Develop new leadership.

Step 9: Celebrate! Recognize victories and progress, no matter how small. Appreciate individual contributions to the board, the organization, and the community. Make room for humor and a good laugh.

