Creating an Exceptional Board
in Times of Change
"most of the (CEOs) we interviewed maintained that their relationship with the board was critical"

"high impact boards—

- CEOs share power & leadership, each has a critical but different role to play;
- are highly engaged;
- work well with the executive leadership;
- have evolved as the org has grown"
Engine of Impact: Essentials of Strategic Leadership in the Nonprofit Sector

- “A nonprofit cannot thrive long without a strong board”
- “And any organization can improve its board’s performance if its board members are willing to confront the people, process, and behavioral challenges that drag competent, well-intentioned people into the abyss of ineffectiveness”
Impact of board on organization's performance

- Very negative impact: 0.4% (CEOs), 0.0% (CHAIRS)
- Somewhat negative impact: 4.6% (CEOs), 1.6% (CHAIRS)
- No impact either way: 13.9% (CEOs), 5.3% (CHAIRS)
- Somewhat positive impact: 52.0% (CEOs), 50.3% (CHAIRS)
- Very positive impact: 28.4% (CEOs), 42.2% (CHAIRS)
- Don't know/No opinion: 0.6% (CEOs), 0.5% (CHAIRS)
Impact of board on CEO job satisfaction

- Extremely negative: 1.5%
- Moderately negative: 5.6%
- Slightly negative: 9.0%
- Neither positive nor negative: 4.8%
- Slightly positive: 14.1%
- Moderately positive: 35.3%
- Extremely positive: 29.8%
CHANGE IS GOOD. 
you go first!
Who Boards Are and How They Work

The Work

The People

The Culture
Separate Session for Board Members and CEOs
Q: What are your biggest challenges in working with this board of directors?

WHAT ARE THE THREE MOST IMPORTANT AREAS THE BOARD SHOULD ADDRESS TO IMPROVE ITS OWN PERFORMANCE?

- Fundraising: 67% (Executives: 64%)
- Outreach & ambassadorship: 43% (Board chairs: 42%)
- Board leadership pipeline: 30% (Executives: 35%)
- Commitment & engagement: 28% (Board chairs: 32%)
- Strategic planning: 20% (Executives: 28%)
The Work—CEO/Chair as Expert, Board engages in Timely Deliberations, Decisions, & Advocacy

“Board engagement to what end?”

“Structure follows strategy”
Peter Drucker
Governance Responsibilities:
To steer or guide from a position of authority through deliberation & policy decision-making

- Provide Oversight: Judgment, Inquiry
- Set Direction: Generative & On-going Strategic Thinking
- Ensure Advocacy & Resources

Board structure follows defined roles and responsibilities
Exceptional Structure & Practices

- Use committees & task forces
- Improve Technology Support
- Assess Performance of both Board & CEO
- Focus on Strategic vs. Tactical Issues

- Organize Better Board Meetings*
Everyone’s Health Nonprofit, Meeting Agenda

I. Call to order, welcome, overview of Agenda (2 minutes)
II. Consent Agenda (1; Decide; A)
III. Strategic Thinking (55; Discuss; B)
   I. SAMPLE: How to get the right people on the bus for new revenue strategies?
   II. SAMPLE: How to better use community collaborations to fulfill mission?
   III. SAMPLE: What will it mean to govern differently as we grow and expand staff?
IV. Committee Work (20)
   I. Finance Committee: New investment policy (Decide; C)
   II. Governance Committee: Characteristics of new board members? (Discuss; D)
V. Mission Moment (10; Inquire)
VI. Routine Executive Session
VII. Board Meeting Evaluation & Adjournment (2; E)
Governance as Leadership

“The framework within which issues will be viewed and decided is often tantamount to determining the results” - Jeffery Pfeffer, Stanford University
Generative Discussions

1. What is the biggest gap between what we claim we are and what our actual performances or actions say about what we are? Why is this so?

2. Why were we successful in our first two expansion efforts? What happened?

3. Five years from today, what will this organization’s key constituents consider the most important legacy of the current board? What does this mean about our expected value-added as a board?

4. **Plus**: Outside activities, Surveys, Role Playing, Counterpoints, Simulations
   - On what big issues should your board be focusing? *
The People—CEO/Chair as Coach, Board engages Continuous Learning

“Getting the right people on the bus” — Jim Collins

If a board isn’t thoughtfully composed as it relates to skill sets, leadership styles, and diversity of thought and background, it is less likely to excel in other areas of board performance”

LWI 2017
Who do you need around the table?

- **Attitudes:**
  - Passion for Mission
  - Empathy for constituents

- **Skills:**
  - Comfort with ambiguity
  - Reflexive learners
  - Different thinking styles

- **Knowledge:**
  - Organization programs/strategies
  - Multicultural perspectives

- Networks*
Recruit, then Engage

Values congruence
Task ownership
Perceived ability
Trust and safety

Situational Constraints
Discussion & Decision-making
Group Dynamics

Antecedents to board member participation; W. A. Brown, Nonprofit Governance, Routledge
What are Best Practices for Leadership Continuity?

- Develop a leader pipeline
- Interview, interview, interview
- Activate a Governance committee
- Use third party referrals*
Create Effective Peer Relationships

Boardsmanship or Personality issue?

1. What is the “real” challenge/problem?
2. Objectively address with individual (i.e., mirror, ask intention, coach toward better behavior)
3. Consider policy/practice corrections
   - Agenda space for inquiry?
   - Competition for visibility, control, power?
   - Conflicts of Interest?
   - Culture of trust, transparency, & teamwork?
   - Different visions for the org?
   - Prevent through cultivation/on-boarding practices?
The Culture, CEO/Chair as Facilitator, Board engages in Teamwork, Cooperation, and Collaboration

“Culture eats strategy for Breakfast”
Peter Drucker

“a way of thinking, behaving, or working that exists in an org”
Merriam-Webster’s
What is a Constructive Partnership?

“Exceptional boards govern in constructive partnership with the chief executive, recognizing that the effectiveness of the board and chief executive are interdependent.”
<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listen attentively &amp; respectfully</td>
<td>88%</td>
</tr>
<tr>
<td>Encourages innovative suggestions</td>
<td>85%</td>
</tr>
<tr>
<td>Clear vision that inspires</td>
<td>85%</td>
</tr>
<tr>
<td>Put org interests above personal</td>
<td>82%</td>
</tr>
<tr>
<td>Able to resolve internal conflicts</td>
<td>78%</td>
</tr>
<tr>
<td>Honest communication</td>
<td>78%</td>
</tr>
<tr>
<td>Success is celebrated</td>
<td>77%</td>
</tr>
<tr>
<td>Share core values that guide</td>
<td>75%</td>
</tr>
<tr>
<td>Collaborative team</td>
<td>74%</td>
</tr>
<tr>
<td>Share accountability</td>
<td>54%</td>
</tr>
<tr>
<td>Own further learning and growth</td>
<td>52%</td>
</tr>
<tr>
<td>Social time</td>
<td>48%</td>
</tr>
<tr>
<td>Encourages higher performance</td>
<td>44%</td>
</tr>
</tbody>
</table>
CEOs giving chairs an "A" grade

- Cultivates a productive, constructive partnership with the chief executive: 61.0%
- Fosters an environment that builds trust among board members: 51.3%
- Is able to resolve conflict, build consensus, and reach compromise: 40.7%
- Encourages board members to frame and discuss strategic questions: 40.5%
- Establishes clear expectations of board service: 30.2%
Strategic
- Constructive Partnership
- Mission Driven
- Strategic Thinking
- Culture of Inquiry

Fiduciary
- Independent-Mindedness
- Transparency
- Compliance with Integrity
- Results-Oriented

Advocacy & Resource Development
- Sustaining Resources
- Revitalization

Structure & Practices
- Intentional Board Practices
- Continuous Learning (i.e., Intellectual Working Capital)
Additional Q & A?

The Work—CEO/Chair as Expert & Board engages in Timely Deliberation, Decisions, and Advocacy

The People—CEO/Chair as Coach, Board engages in Continuous Learning

The Culture—CEO/Chair as Facilitator & Board engages in Teamwork, Cooperation, and Collaboration
Joint Session for Board Members and CEOs
Investing in a Strong Partnership: Practical Advice

- What Do CEOs Need from Boards in order to do her/his job better?
- What Boards need from CEOs in order to do its job better?
You are a Governance committee. What do we notice about strengths and concerns, and what are three things that we should do first?

**ACME Nonprofit for Everything Good**

**Board of Directors Dashboard as of January 2018**

**% Board Meeting Attendance**
- 26 Members, 4 Meetings Annually
- Attendance: [Graph with data for different months]

**Individual Member Attendance** (includes call-ins)
- 100% present, 7 directors
- 9% in-person, 1% telephone

**2017 Committee Meetings & # of Participants**
- [Graph showing meetings and participants]

**Overall Rating of Last Board Meeting**
- Excellent: 15%
- Good: 40%
- Fair: 10%
- Poor: 5%

**Director Contributions**
- 75% actual of $3,000 goal
- [Graph showing contribution levels]

**Priority Organization Goal/Objective Status**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Goal/Objective</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>ACME is growing its programs &amp; services</td>
<td>In progress</td>
</tr>
<tr>
<td>1</td>
<td>Reach an increasing number of participants</td>
<td>In progress</td>
</tr>
<tr>
<td>2</td>
<td>Maintain funding commensurate with service delivery</td>
<td>In progress</td>
</tr>
<tr>
<td>3</td>
<td>Validate workplan initiatives against expected results</td>
<td>Completed</td>
</tr>
<tr>
<td>4</td>
<td>ACME's policy voice is sought out and influential on “Everything Good”</td>
<td>In progress</td>
</tr>
<tr>
<td>5</td>
<td>Innovate new and improved activities</td>
<td>In progress</td>
</tr>
<tr>
<td>6</td>
<td>Educate key decision-makers</td>
<td>In progress</td>
</tr>
<tr>
<td>7</td>
<td>ACME is the premier network partner for like-minded args</td>
<td>In progress</td>
</tr>
<tr>
<td>8</td>
<td>Engage state/local groups as active participants in forums</td>
<td>In progress</td>
</tr>
<tr>
<td>9</td>
<td>Develop “inter/intra-state” solutions/standards</td>
<td>In progress</td>
</tr>
<tr>
<td>10</td>
<td>Share best practices among groups</td>
<td>In progress</td>
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**Other Board Actions**
- 100% completed required signed COI Annual Disclosure
- 49% sent advocacy letters in 2017
- 25% attended most recent DC Congressional Fly-in Event
- 10% made thank you calls to sponsors
- 3 board positions still open
- Carryover project from ‘08 & ‘10 GEO Succession Plan

**Finances**
- Income: 17% (contributions & sponsors), expenses cut (2 staff positions) for slight year-end surplus to stabilize "6-month" assets
In closing, What do board member most appreciate about CEOs? What do CEOs most appreciate about board members?

- Check in regularly on how well your board understands—and is fulfilling—roles and responsibilities
- Help your board cultivate a deeper understanding of your org’s work
- Create opportunities to build your board’s comfort with and engagement in providing leadership outside of the boardroom
- Explore and define your org’s value as it relates to diversity, inclusion, and equity
- Invest in the board’s culture*
Thank you!