A BOARDSOURCE
TOOLKIT

BOARDROOM CHEMISTRY

GETTING YOUR BOARD TO GOVERN AS A TEAM

BoardSource®

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Published by BoardSource

1828 L Street, NW, Suite 900

Washington, DC 20036

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WELCOME
TO YOUR BOARDSOURCE TOOLKIT

Every board struggles with group dynamics — the ways in which individual board members interact with each other and function (or don't) as an effective team. Successful boards have figured out how to make the most of the various relationships (chief executive to board, board chair to board, and board member to board member) so that the work of the board assumes greater importance than any individual or relationship. These high-functioning boards manage this, in part, by figuring out the right structure (board size and composition, for example) and practices (collaboration and informed decision making) that will support the board culture they want to have (one that fosters respect and trust among engaged, knowledgeable members working as a team, for example).

But making the most of board relationships is not easy. If you are like many board members and chief executives, you may not be sure where to start. That's why BoardSource created this toolkit. Its 24 tools are designed to help your board function more effectively by focusing on the following:

- Board composition (and the role played by board size and diversity)
- Board structure (such as term limits and how structure can enhance or inhibit team-building)
- Cultural and behavioral barriers (and how to understand and overcome them)
- Ways to engage detached board members
- Decision-making and other meeting practices
- Listening skills (and how to develop them) and use them to resolve conflicts

You'll find proven advice and practical tips and techniques for improving board interactions, along with questions to stimulate board discussion around important topics. This toolkit is based on resources in BoardSource's vast library of governance, material that has shown hundreds of thousands of nonprofit board members and other leaders how to develop sound practices.

In fact, BoardSource has more than 20 years of unparalleled experience helping nonprofits tackle challenging situations. In addition to our publications and online resources, our consulting team of governance experts is ready to assist your board and may be reached via e-mail (consulting@boardsource.org) or by calling 877-892-6293.

Linda Crompton
President & CEO
BoardSource

PART 1

CULTURE MATTERS

cul·ture *n.*
the behaviors and beliefs characteristic
of a particular group

TOOL 1

Board members have a surprisingly demanding and varied job to do. Rarely can one board member fulfill most of the board's necessary functions. If that were the case, few boards would need more than two or three members, board meetings would simply serve as the venues to confirm assumptions and record expected decisions, and this small group would never realize what it is missing and not accomplishing.

Various backgrounds and experiences (professional and personal, as well as cultural and ethical) add to the quality of the board. Other important characteristics can include leadership skills, community involvement, public recognition, political connections, fundraising capacities, and shared values and commitment. Familiarity with the organization's field and issues can be important. Sometimes the presence of a few donors, professional insiders, customers, and clients can positively benefit the organization. These examples all focus on maximizing the special value of each board member.

How your board members carry out their duties, communicate with each other, work as a team, or solve problems are all very important factors in defining the culture of your board. These factors can result in an efficient and productive team that works well together. They also can do the opposite, if your focus is on the external aspects of your group's working methods and not on the core purpose of its meetings. Only by looking at your processes in more detail can you determine whether you have a group hung up on processes, or one that is continuously accomplishing something important. Finding new board members who easily fit within your culture — or bringing in members who see a need to change this atmosphere — can be an option in your recruitment efforts. However, your chair ultimately has the best chance to influence the culture, habits, or the "ethos" of your board and its interactions.

A good board is made up of a diverse group of people with varying skills, expertise, and modes of operation. Deliberation benefits from this diversity but, let's face it, communication is not simple when unique personalities try to get their message across! People can be either extroverts or introverts, articulate or tongue-tied, passionate or unconcerned, altruistic or selfish. Board members are there for different reasons and possess differing attributes. Some may be there to learn more, while others may want to teach others. Some focus on the little details and others see the big picture. Some are team players, and others highly individualistic. Unfortunately, some may have private agendas and are self-absorbed. All of these qualities and characteristics — and many others — must work together, or the board will spend an inordinate time solving communication problems and misunderstandings.

Every board needs some structure for its internal operations. Without it, you do not have a common reference to rely on when the unexpected happens. Specific standards serve as a guide to do the right thing and help you solve dilemmas that arise from individual board member behavior. At the other end of the spectrum, too much structure and too many rules can stifle creativity and make the board focus more on rules than results. Understanding the legal and ethical expectations placed on boards and being familiar with topics that drive group dynamics are good starting points for defining the effectiveness of your board. That knowledge is also what you want to find in new recruits.

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How do your board members communicate with each other? Is there a general respect of differing opinions? Can you all disagree respectfully? In fact, do you encourage differing opinions and challenging points of view? If you answer yes, you probably have a board that is open to new ways of doing things and that does not form cliques that fight with each other.

If your organization serves a community in flux, provides services to a multitude of cultural and ethnic constituents, or wants to reach out to new groups of potential customers and clients, probably nothing is as important as striving for ethnic diversity on your board. Your leadership sends the message to staff and to the outside world that diversity and inclusiveness are valued. If understanding the issues of your constituents is important to be able to meet their needs, your board must set the tone and show how organizational decisions reflect and respond to this need. To facilitate this decision-making challenge in a group of individuals with differing backgrounds, try some of following practices:

- Avoid tokenism. Commit to diversity, and don't expect your board members to fill a quota. No individual should or can represent a specific segment of a society. If you do not give your members a label, you have a better chance to concentrate on the content and skill they bring to your decisions.
- Treat each board member equally. Share board responsibilities according to interest and capacity. Expect everyone to contribute to discussion and value everybody's point of view.
- Cultivate acceptance toward differing opinions. Seeking agreement on the broadest issues first creates a strong foundation for debate. The role of the chair as a mediator cannot be overestimated. At the end of the debate, however, it is important that each board member respects the democratic process and is able to represent the official position to the outside world.
- Provide cross-cultural training. Understanding how different cultures make decisions and handle conflict can play a big role in facilitating communication.
- Allow time for board members to get to know each other. Making time for the members to socialize and communicate with each other outside of a meeting fosters the camaraderie necessary for teamwork.

Empower Youth

Electing young people to the board might be the wisest decision some organizations ever make. If your organization deals with youth issues, including the youth perspective in your discussions seems to be common sense. If state laws do not forbid minors from serving on your board, it still is important to take some precautions to protect everyone from any potential liabilities. Consider the following points:

- Clarify in your organizational documents that you intend to engage young people on your board.
- Understand all the risks and obstacles that you may encounter.
- Include a clause in your bylaws allowing you to elect young people as board members.
- Do not elect young people as officers or other leadership positions where they might have to sign contracts or other official documents.
- Use committees and other task forces to provide additional leadership and training opportunities for young people.
- Realize the additional flexibility needed to organize your board meetings around commuting to meetings, school schedules, generational communication challenges, and inexperience with certain financial aspects of the board member role.

KEEPING CIVILITY IN THE BOARDROOM

Sometimes, board members let their emotions override objectivity. Passion, in and of itself, is not a bad thing. It often reflects the deep commitment and concern that a board member has for the organization's mission and work. Particularly, when the organization works with children, animals, the environment, and other social issues, some board members tend to fight for their specific beliefs in the boardroom. When emotional reactions are directed at fellow members in a negative manner, private wrangling can divert the focus from what the board is supposed to be doing.

Civility in the boardroom indicates that board members understand and accept the idea that differing opinions are to be treasured, welcomed, and encouraged. Members need to know how to listen and let their peers express their opinions, no matter how esoteric or impossible they may seem, and to respect each other's points of view. Certainly debates can become heated, especially when an issue is controversial, delicate, contentious, troublesome, or touchy. The chair should be careful to look for the signs that the discussion may be getting out of hand and take measures to keep the situation under control.

Few boards have escaped disorderly meetings. If a board member dominates discussion and seems to have all the answers, the chair must find a moment to intercept and turn the faucet off. Some boards may need to follow a more structured process in this case and respect a certain level of parliamentary order. This makes it easier for the chair to control the floor and grant individual members the opportunity to take their turn.

If a board member uses improper language, verbally insults or ridicules fellow members, or otherwise attacks someone personally, the situation should be stopped right away. If immediate change does not occur, and the member does not apologize for the language or the comment, he or she should be asked to leave the room. Disagreeing with someone's comments or arguments is perfectly normal, but inappropriate personal behavior in a professional setting should not be accepted. If abusive and misdirected behavior continues, the board may want to consider removing the offending member from the board.

Racist and other ethnic comments, intolerance of other members' personal convictions, and impugning the motives of others should all be considered unacceptable in the boardroom. Whether the comments are intentional or out of ignorance, they deserve immediate attention. After clarifying the problem with the board member, the chair should then consider whether some diversity training is in order for the board.

If a board member has a personal problem relating to excessive alcohol or other substance abuse, and it spills over negatively to his or her board service, the chair or another trusted peer should discuss the issue privately with the member.

Whether dire behaviors are unintentional or deliberate, they divert the board's attention and energies in the wrong direction and waste valuable time. Boards with problematic members may be able to learn some helpful tips and solutions for dealing with their problems by speaking with members from other boards.

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MANAGING CONFLICTS OF INTEREST

The affiliations, interests, and business relationships of active board members may also impact the decisions and transactions of the boards on which they serve. This can be particularly true if there is an overlap between the issues a member deals with in his or her private life and those the board is addressing. This is a fairly common situation and the key is how the board manages the conflict.

Uninfluenced and independent decision making is of primary importance for every board member. Private objectives, personal benefit, or private inurement should not be the driving force when members of the board discuss the internal business of the organization. Board members must rely on their own conscience when deciding what the best action is for the organization; thus bringing back the concept of duty of loyalty, which is one of the legal obligations that individual board members must embrace. When serving on a board, a member's loyalties should first lie with the organization's mission and constituency.

When faced with a conflict of interest, the board's only safe harbor is addressing the issue effectively and directly. If the board already has a conflict-of-interest policy, take time to re-evaluate its contents:

- Is it clear what constitutes a conflict of interest?
- Who is affected by the policy?
- Who are disqualified individuals on the board and staff?
- What are the steps to eliminating a conflict of interest when the board discusses and votes on issues?
- Whose role is it to enforce the policy?

If the policy clearly states that a board member with a conflict of interest is not allowed to vote or participate in the discussion and will be asked to leave the room, the board is obligated to enforce the policy. This is how a board shows accountability and is able to prove that its decision-making process is intact.

Asking board members to sign a disclosure form at the beginning of each year helps to create an atmosphere of openness. The purpose of the form is to have each board member list possible points of conflict during the coming year. The list should include financial, business, and personal affiliations that might somehow affect the board member's capacity to make untainted judgments. Naturally, it is impossible to predict what issues might affect the impartiality of any board member ahead of time. Each case is situation specific, and every potential conflict of interest must be addressed on a case-by-case basis. By creating a preliminary list of conflicts, the chair can keep an eye on eventual sticky points. If new conflicts arise during the year, it is expected that a board member in question step forward and recuse him- or herself in accordance with the policy.

If a board member "forgets" to bring up a conflict-of-interest issue during a board meeting, it is up to the chair to address it. Likewise, if someone else on the board is aware of the conflict, but the chair is not, it is up to the individual to share the information with the chair. Some tact is necessary. If there is a disagreement on the facts or how the conflict presents itself, the executive committee or the full board can be asked to make the ultimate decision.

BRINGING PRIVATE AGENDAS INTO THE BOARDROOM

Private agendas may inhibit some board members from demonstrating their undivided loyalty to the organization. What is a private agenda? A private agenda is personal interests, preferences, or goals that divert the focus of a board member from the organizational issue to that of a private matter. For instance: A board member proposes the creation of a program that benefits his or her child; a board member lobbies for the recruitment of a new member who backs his or her vision for a future direction or action; or a member has aspirations for a leadership role and gradually manages to manipulate and create an inner clique in favor of his or her platform.

In fact, a private agenda is pure conflict of interest and may hover close to private inurement or private benefit. Private agendas do not belong in the boardroom, and it is the responsibility of fellow board members to bring the issue to the attention of the chair if the chair is not aware of it. It is the chair's job to remind all members of their duty of care and loyalty to the mission and to the organization. These duties can be respected only by objective and unbiased decision making.

CULTURE OF INQUIRY

To be able to get to the heart of the matter at the boardroom table, members of the board must be willing to listen to, share, accept, and respect comments and opinions presented by fellow members. Everyone should have an opportunity to express his or her opinion and, at the same time, should expect that these opinions may be further explored. These attitudes demonstrate key characteristics of a true culture of inquiry.

Within a culture of inquiry, board members have a presence of mind to make a decision that drives from the obligation and need to help the organization. Board members rely on candor and thorough reflection, ask questions until all sides of an issue have been aired, dare to contradict or question present practices or traditions, and are not influenced by seniority, position, or reputation of a fellow board or staff member or a donor. In short, a thorough deliberation allows a board member to learn all the facets of an issue and then to distill their peers' perspectives into an autonomous and educated opinion.

ELECTING A DEVIL'S ADVOCATE AND DEVIL'S INQUISITOR

To push a board into thinking more creatively or to unblock tendencies of stagnation, the board may want to create an official position of a "devil's advocate." By choosing a single member, or rotating the job among board members, the devil's advocate has the role of purposefully contradicting presented arguments. As long as it is understood that this is the intended role of the board member during the meeting, the board can turn the idea into a productive game. The "devil's advocate du jour" will not feel left out of the actual debate if he simply makes sure his point of view comes up during the discussion or as one of the counterpoints or questions.

You may also encourage board members to serve as "devil's inquisitors." The role of these individuals is not to purposefully contradict a statement or position but to always ask the questions that nobody else wants to ask, those difficult questions that one normally finds embarrassing or "dumb." The purpose of these questions is to clarify and simplify the issue under discussion and to ensure that everyone ultimately is on the same page and has at least a basic understanding of the details. These questions can come in handy particularly when the board is looking at the financial statements, and everyone is not a financial wizard.

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No argument should be off limits as long as it does not get personal and it encourages members to consider alternative options. Any exercise that forces a board to open up to new ideas can turn an ordinary board into a vigorous and insightful group of team members. However, a perennial devil's advocate or inquisitor may eventually test the board's patience, at which time the game becomes counterproductive.

REMEMBER

- Seek different habits, backgrounds, traditions, experiences, and skills to open the collective board's eyes and avoid stagnation. Remember that diversity on a board does not necessarily make communication and interaction between its members easier.
- Never allow private agendas and conflicts of interest to drive a member's motivations.

Excerpted from Meeting, and Exceeding Expectations: A Guide to Successful Nonprofit Board Meetings, Second Edition, *by Outi Flynn. BoardSource, 2009.*

TOOL 2

Exceptional nonprofit boards recognize that diversity is essential to an organization's success. They see the correlation between mission, strategy, and board composition and understand that establishing an inclusive organization starts with establishing a diverse and inclusive board.

Many board members already understand that a homogeneous board can result in near-sightedness and group-think. By contrast, a heterogeneous board — one composed of individuals with a variety of skills, perspectives, backgrounds, and resources — promotes creativity and innovation and yields differing voices that can play an important role in accomplishing the organization's mission and increasing understanding of constituents and community needs. Diverse boards also are more likely to attract diverse donors, and grantmakers are increasingly focused on diversity. Yet, many — if not most — nonprofit boards are not making meaningful headway towards achieving diversity.

If the nonprofit sector is to remain relevant, effective, and grounded in the needs of our increasingly diverse communities, nonprofit boards must become and remain inclusive. Unfortunately, it's more easily said than done, as many boards have found. It requires asking what is holding you back from achieving the level of diversity you desire and then working to overcome those restraints and create an environment that encourages dialogue and interaction on diverse views. It requires confronting difficult issues and answering tough questions.

BoardSource has identified three strategies to assist boards in embracing and integrating diversity and an inclusive environment. To implement these strategies, you should begin by appointing a task force to oversee the process.

1. COMMUNICATE

Don't assume everyone agrees about what diversity and inclusion mean for the board. Before asking "How do we become more diverse?" boards must ask "Why do we need to become diverse?" Your board should have an open, thoughtful discussion to consider how it and your organization, community, and constituents might benefit from diversity within the board. Equally important, your board should discuss the opportunities that might be missed if it remains homogeneous. Also, you must anticipate and address how the board will react and potentially resolve challenges that arise due to different opinions, approaches, and attitudes.

Discussing race, culture, ethnicity, gender, and even age and generational issues in the boardroom may ignite personal awareness and, for some, discomfort. The simple truth is, most people develop prejudices and stereotypes from friends and family at a very early age. To think about diversity objectively requires intellect, energy, integrity, and time. Your board members must consider if they are ready as individuals and as a group to identify, confront, and work to eliminate their personal biases, blind spots, and prejudices as well as those embedded in the board and organization's culture.

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In *Inclusiveness at Work: How to Build Inclusive Nonprofit Organizations,* Katherine Pease suggests a few questions your board can ask itself:

- Are people of color comfortable serving on the board?
- Does the board consider issues relating to race and ethnicity when it sets policies and makes decisions for the organization?
- What could the board do differently to become more inclusive and welcoming?
- What could the board do differently to address the needs of communities of color?

2. ACT

Develop a case and plan for change

Some boards will buy into the need for becoming more diverse and inclusive based on their individual visions and values. Some will require a business case to convince them of the necessity. To help your board develop, articulate, and embrace a shared vision for inclusiveness, it is important to write a compelling case statement.

Consider incorporating your board's definition of inclusiveness (one organization's definition may not be another's definition), data about your community, a description of what your board will look and feel like when inclusive, an indication of how inclusiveness relates to or will impact the board's ability to fulfill your organization's mission, and information about how you plan to put your commitment to inclusiveness into action. Think of it as an inclusiveness vision statement with detail.

To put your commitment into action, develop a plan that includes strategies, concrete goals, objectives, tasks, and a timeline. Boards are more likely to focus on an issue if an official goal or policy exists to remind them of what they want to achieve.

When setting goals, your board will have to decide whether it wants numeric goals. On one hand, some may argue, it helps define the target. On the other hand, trying to reach a numeric goal can overshadow the more important goal of identifying individuals who have the experiences and interest that best fit the board's needs. In no event should diversifying the board become a matter of filling a quota.

When Brian Gallagher joined the United Way in 2002 as president and chief executive officer, he expressed his commitment to having a person of color serve as the board chair of the organization, which had not had an African-American chair in the organization's 116-year history. Eighteen months later, Johnetta B. Cole became the chair.

Create a pipeline of candidates

Once your board is clear about what it wants to achieve, the task force should create a pipeline of diverse board member candidates. So often, board members approach the "usual suspects" — their best friends or individuals who travel in their same social circles and networks — resulting in a pool of candidates without much variation. To achieve a different result, the task force should cast a wide net and look at nontraditional as well as traditional sources for candidates. These might include the local chamber of commerce; members of other nonprofit boards; community leaders; clients or customers; professional, trade, or fraternal associations; organizations representing various racial or ethnic groups; local colleges and universities; MBA programs; and executive leadership programs.

Consider using an executive search firm if funds permit or if it will donate its services for free or at a reduced cost. Search firms often have databases of people with diverse backgrounds. Another option is BoardnetUSA, which matches its database of volunteers with nonprofit organizations throughout the country.

The increased demand for minority board members is also spurring efforts such as Cleveland's Minority Board Member Pipeline Initiative to help match minority professionals with nonprofit boards. Be aware, however, that high-profile people of color are often asked to serve on nonprofit boards, and your invitation might be declined. If so, ask why. This is an opportunity to learn how your organization is perceived. Then ask another individual to join the board.

Avoid tokenism

It is important to remember that building a diverse board is not about tokenism. No board member wants to fill a quota, and no one is able to represent an entire subsection of the population. You must treat each board member equally and expect the same from everyone.

Organizations are often more successful integrating new voices when the new group makes up 30 percent of the total — or, at a minimum, three people. This helps change the culture, and the new participants will not feel isolated. To better integrate new members, incorporate informal social time and training on diversity and inclusiveness into board meetings. Also consider whether your board and organization would benefit from cultural competency training.

Involve

When you have identified promising candidates, find ways to connect with them and cultivate their interest. The board's commitment to inclusiveness needs to be articulated and clarified early in the recruitment process. Discuss it as well as board member expectations and responsibilities. Tell prospective members why they are wanted and needed, invite questions, elicit their interest, and find out if they are prepared to serve and lead.

3. MONITOR AND MEASURE RESULTS

To stay focused on your objectives and goals, monitor your progress on a quarterly or semiannual basis. Track your retention rates of diverse members. Conduct exit interviews to further assess your progress and identify areas where you could improve. Administer board self-assessments that include questions related to diversity strategies and goals. Survey staff, constituents, and stakeholders about their perceptions of the organization's culture of inclusiveness.

Meaningful change in board composition, dynamics, and culture will not occur overnight. It takes time and commitment. Creating a climate for change through ongoing communication and engagement of the board in the process will help sustain your efforts and overcome resistance along the way.

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Diversity Includes But is Not Limited To

- Gender
- Age
- Religion
- Sexual orientation
- Race/ethnicity
- Language
- Socioeconomic status
- Legal status
- Disability
- Geographic base
- Political viewpoint

Excerpted from "Beyond Political Correctness" by Vernetta Walker. Board Member®, *May/June, 2009.*

TOOL 3

In general, it is not advisable to seat family members on the same board. Doing so increases the potential for internal conflict should family members vote as a block and may give donors, government agencies, or other audiences the idea that the organization does not take its public stewardship role seriously. In addition, having multiple family members on the same board tends to perpetuate a board's homogeneity.

Some exceptions are worth considering. For example, some nonprofit boards without term limits have benefited greatly over the years, usually in the form of significant financial gifts, from a person who is growing older. If the whole family has been involved as volunteers and donors, it would not be unusual to nurture, and then elect to the board, one of this board member's children to overlap a term or two with the parent. The assumption would be that the younger member would help sustain the family's interest for many more years, ensuring a multigenerational legacy. The same goal, however, might be achieved with sequential terms, rather than overlapping ones.

Another common example is the board of a family foundation, either operating or grantmaking. Families often hope to use board membership as a way of engaging younger generations in philanthropy. This approach may work well, depending on the individuals involved. Still, the board should be balanced with some members from outside the family, who can bring a more objective view and a different perspective to the board table.

Occasionally a board has a tradition of electing couples as members. This happens most often in local or regional charitable organizations, such as a children's home, a foster-care organization, or an organization that provides educational programs to enhance marriage. Another situation might involve a founder who, having launched an organization from the kitchen table, invites his or her spouse to serve on the board.

It would be unusual for both spouses to bring the same high level of interest and a desired expertise to the board, so nonprofits should carefully evaluate the idea of electing spouses to concurrent terms. This is especially true for small boards, which might discover that filling board slots with spouses makes it difficult to achieve diversity goals or find the skills the board needs.

If your board decides to allow members of the same family as board members, acknowledge the risks and establish clear policies to address nepotism and potential conflicts of interest. Those policies might include such requirements as the following:

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- Family members must be able to separate their personal lives from what happens in the board room, setting aside any family conflicts or squabbles to act in the organization's best interest. Should a board member find it difficult to make a decision — say, to choose between options that are supported by different family members — he or she should feel comfortable asking to be excused from voting. The meeting minutes should make a note of the excusal from voting.
- Both spouses are expected to attend all board meetings. They should not "take turns" attending meetings or send a proxy vote with the spouse if unable to attend in person.

SUGGESTED ACTION STEPS

1. Board members, if your board has never faced this question, consider developing a policy before the situation arises.
2. Board members, if you do have family members on the board, seek a common understanding of the reasons for doing so and express those principles in a policy.

Excerpted from The Nonprofit Board Answer Book: A Practical Guide for Board Members and Chief Executives, Second Edition, *by BoardSource. Jossey-Bass, 2007.*

TOOL 4

It is natural for those receiving services from a nonprofit — or their family members — to want to serve on the board in order to influence how the organization functions. There hardly is a more direct way to shape the focus of the organization. Neither is it rare for a nonprofit to recruit customers, consumers, or their family members as board members to ensure that their perspectives are included in the decision-making process. There are clear benefits but also caveats in this interaction, however.

DIVERSITY OF PERSPECTIVES

There is always a benefit in forming a diverse board that is responsive to the particular needs that an organization is there to meet. Diversity of perspectives should be the goal for all recruitment efforts. Various skills, expertise, and backgrounds in board members help ensure that all aspects of issues get attention and are discussed in the boardroom. While service recipients or their relatives can easily add value — if proper precautions are in place — it probably is not a good idea to inundate your board with customers, however.

The board as a body must understand that differing perspectives are part of deliberation and simply should add to the quality of discussion and richness of opinions. Forcing one opinion over the others is not a good way to be inclusive. Different viewpoints should ensure that important details are not overlooked. They should not unbalance the big picture.

CUSTOMER/CLIENT INPUT

Passion — Customers/clients bring their strong concern for the organization. A recipient of services has a direct interest in making the organization effective. Every board member should have a passion for the organization.

Familiarity — A customer knows the organization as he or she uses it; he or she has had a direct contact with it. The board can get hands-on feedback of what works and what doesn't.

Perspective — A customer can bring a new perspective to discussion. Personal experience allows a voice from the inside to be heard. Other board members tend to deliberate from a distance and are more detached with their views.

PRIVATE AGENDAS

Service on the board can easily become a private agenda issue for a board member who is closely tied to the organization. A personal need may become a platform. Some board members with private ties to the nonprofit forget that their role is to assess how an issue fits in the overall framework and welfare of the organization. Their private agenda can be a powerful and influential tool if the rest of the board is not able to see beyond the members' ulterior motives. Having several private agendas in the same boardroom can easily create division and misguided debates.

Boards should never turn into personal support groups or consumer complaint centers. A board member with emotional or negative ties to the organization may not always realize that the boardroom is not the right forum for sharing certain experiences or that the board should not be used to influence policies and procedures. The boardroom is not the place to air personal issues. In most cases, personal concerns should be brought to the staff. The board should not deal with individual cases unless the issue is brought back to the board for advice by the chief executive.

For example, on a private school board, you want members who are committed to making the school the best educational institution for the community as a whole — not just a school that bends to the special needs and interests of a few parents. Expanding the mission of a middle school to include high school curriculum (as a family's children get older) or building the foreign language department or athletics department to include new activities (based on a child's interests) are big issues that have wide implications and need to be put in perspective. On a healthcare organization's board, the focus should be on overall safety and quality, on reaching those constituents who need care, and other issues that have an impact on the long term success of the facility, not on the qualifications of a nurse or a doctor who treated an individual board member.

BIG PICTURE APPROACH

The board must concentrate on the right issues. Sometimes a customer may be too close to the service to be able to see the overall picture. If a member of the board veers off course, bringing up private concerns, and is not able to relate to the primary needs of the organization, the chair must step in and redirect the discussion. If it is clear that a member is there for the wrong reasons, the full board must address the issue. However, strong opinions in one direction or another are not valid reasons to dismiss the comments of a peer. Once again, the chair has an important role in guiding individual board members while differentiating between issues that need attention and issues that do not belong in the boardroom.

BE PREPARED

There is a case for bringing in customers/clients/consumers as board members, but the conditions must be clear. Your board needs a conflict-of-interest policy that is enforced without fail. Each board member must understand that seeking private benefit by affiliation is not a proper incentive for board service. Private agendas are not appropriate; the benefit of the organization must be the only agenda. The board must engage the staff to survey customer needs and complaints and report to the board with appropriate data. The board, equally, must weigh the importance of individual members' opinions and separate incidentals from the important issues.

Excerpted from the BoardSource Topic Paper "Customers and Clients on Board."

TOOL 5

Successful boards focus on purposefully developing the critical elements of board leadership, composition, structure, and practices. They also pay attention to the development of individual board members and of the board as a whole. They continually strive to promote a working environment that encourages collaboration, partnership, engagement, trust, respect, flexibility, and interaction.

The board chair and the chief executive take the lead, but every board member also contributes to the overall group dynamic. Only by attending as purposefully to the development of the dynamics of the group as to the work of the group — governing — can a board hope to realize the promise of each individual member, gather individuals into a harmonious group, and harness the group's potential.

BUILDING TRUST THROUGH OPEN COMMUNICATION

Trusting relationships among the chair, the chief executive, and the members of the board compound the board's ability to fulfill its obligations — and find fulfillment in doing so. Communicating openly and often builds trust. Led by the chair, the board needs to establish regular procedures and checks to ensure that the lines of communication stay open, both within the board and between the board and the staff.

Trust among Board Members. Periodic opportunities for board members to gather informally and become better acquainted can reinforce interpersonal relationships and strengthen the lines of communication. As members come to know and understand one another and their respective values, styles, and skills, they develop trust and the ability to overcome differences in a spirit of respect and cooperation.

Mechanisms for Building Trust

As the board incorporates trust in its role as the organization's representative, in its own methods of operating and in its relationship with the chief executive, it should keep the following in mind:

- Disclosing and making access easy to organizational documents describing financial and programmatic achievements are essential to gaining the public's trust.
- Transparency of processes for appointments for board positions and hiring the chief executive eliminate concerns about unfair treatment or discrimination.
- Incorporating a culture of positive dissent in the boardroom encourages board members to share opinions and accept counter-comments without turning issues into personal conflicts.
- Having regular executive sessions removes secrecy from these meetings and allows board members to openly and in confidence discuss internal issues without staff present.
- Regular KPAWN (what Keeps the President Awake at Night) meetings provide a safe, trusting environment for the chief executive to share personal and position-related challenges with the board.
- Annual chief executive performance evaluations allow for honest feedback and assessment of achievements under fair conditions if they are based on mutually agreed upon goals.
- Board self-assessment builds trust and confidence among board members as a collective effort to judge how the team is working together.

Informal gatherings pave the way for healthy and spontaneous exchanges. By intentionally pairing or mixing board members of varying views and behaviors — from assigning seats at meals to discussion groups during meetings to reporting at a retreat — the governance committee can increase board members' awareness of one another's strengths and assets and consequently their ability to work together productively.

Tip

Trust is a key ingredient in the relationship between the board and the chief executive. Blind trust, however, can easily lead to the board rubber stamping ideas without proper scrutiny. "Trust but verify" remains the prudent way to structure the board–chief executive relationship.

Trust between Board and Staff. Open, ongoing communication and trusting relationships between board and staff fuel the organization's success. For the chief executive, this means regularly informing the board chair about opportunities, challenges, and problems; posing questions and offering answers; and sharing good and bad news early and openly. For the chair and the members of the board, it means conveying that the board is there to cooperate, to advise, and to set policies that are in the best interests of the organization.

When the board, the chair, and the chief executive work together in a trusting environment built on open communication, the board serves as a sounding board and source of support that encourages the chief executive to generate creative ideas, propose innovative programs, and explore promising alliances. Together, board and staff can critically evaluate options for responding to challenges, with respect for each other and with the knowledge that breakthrough ideas may arise out of healthy tension.

Managing a Team of Quarterbacks

When cultivation and recruitment work well, they result in a board of talented, energetic, passionate leaders. Many boards self-describe as "a team of A-types" — people comfortable with setting the pace and the direction. As quarterbacks accustomed to leading their own teams and formulating strategy, these board members typically thrive when given

- flexibility
- interactivity
- meaningful engagement
- robust communication
- deadlines
- tight time frames
- an emphasis on the organization's strategic plan

Of course, these talented men and women may not want to play the quarterback position on the organization's board. They may want to do something else when playing on another field. By asking, not assuming, one organization learned that a new board member — "one of the most dynamic people in the city" — wanted to extend the mission rather than save it. Tired of being asked to salvage organizations, she only wanted to be part of an established "winner board." She also had no interest in chairing, preferring to serve tirelessly on a committee.

MOVING FROM FORMING TO PERFORMING

The healthy practice of revitalizing a board by limiting members' terms makes a varying degree of acquaintance with board culture inevitable. With the departure of veteran members and officers and the election of their successors come different dynamics. Everyone must become acquainted with one another, and the new board members must familiarize themselves with the board's structures, practices, habits, and culture. In other words, the board can easily find itself perpetually in the stage of forming.

To operate in performing mode, the board needs to intentionally counter this byproduct of planned turnover. Two ways of doing this are to capitalize on board members' assets and to provide continuous education opportunities. Both strategies have the added advantage of promoting board member engagement with the organization and its mission.

Capitalize on Assets. After conscientiously cultivating and recruiting board members whose intellectual, political, and social capital promise great returns for the organization, the board loses if it leaves the intellectual capital untouched on the boardroom table. Failing to maximize the return on the investment shortchanges both the board member and the organization and stifles member creativity and enthusiasm. In contrast, sharing board members' knowledge enhances and hastens learning and improves the chances that "the board's collective brainpower will enlighten its collective mind" (*Governance as Leadership: Reframing the Work of Nonprofit Boards* by Richard P. Chait, William P. Ryan, and Barbara E. Taylor, John Wiley & Sons and BoardSource, 2005).

Meaningfully engaging members is the secret to producing a high-functioning board. Matching board members early with important work connects them to the organization and its services. Active participation on committees and task forces deepens members' knowledge of the organization and the environment in which it operates, while giving them opportunities to get to know each other, become a cohesive team, and develop leadership skills for the board to tap later. Even negative circumstances, or less than perfect outcomes, have positive power on groups that work through challenges together; the shared effort builds both individual expertise and group cohesion.

The organization also benefits from tapping individual and collective intellectual assets in pursuit of mission because energy and innovation arise out of meaningful involvement with projects that make a difference. When board members have opportunities to share their talents, passions, and networks, they find board work rewarding and their commitment and involvement increase. They contribute to the organization's advance toward vision as well as reap personal satisfaction.

Educate Continuously. If the primary function of the board is to provide expertise and perspective to guide the organization and set its direction and policies, then the board itself must equip members with the knowledge, skills, and understanding to do its work. "An organization profits far more from a knowledgeable board than from a loose federation of knowledgeable trustees," note the authors of *Governance as Leadership*. Isolated educational segments during board meetings are not sufficient; the board must develop a culture conducive to continuous learning so that it both plans for learning and responds to learning opportunities.

Continuous learning should be formalized and become intentional not only within but also outside of board meetings. The governance committee is responsible for building and overseeing a formal framework of board member education, but the board chair–chief executive team sets the tone and supervises the framework. It may include

- reports from program staff or mini-lectures from local experts to extend board members' knowledge
- attendance at conferences to upgrade governing skills, enlarge networks, and share practices
- customized plans for board members to build individual capacity, which may include attending specialized training, leading a task force, or undertaking a task outside of a personal comfort zone
- pairing the confidence of an experienced board member with the fresh perspective of a neophyte for a special task, such as visiting an elected official

As board members deepen their knowledge of the organization, its field or industry, and its external environment, they find themselves better positioned to help the organization. By designing for continuous learning, structurally and culturally, boards produce informed decision makers, advocates, and communicators. As one board member said, "My board has retrofitted me to serve my community!"

Fostering Debate

People who serve tirelessly on nonprofit boards, regardless of how well-known they may be for their assertiveness and leadership qualities, bring generosity and concern for others to their board roles. Focused on collegiality, they may refrain from debating issues wholeheartedly when their opinions collide with a fellow member's views.

Responding to a governance committee that asked, "Why do you think it is hard for board members to ask the hard questions and speak the hard truths?" one board member observed, "People want to be accepted. They work all day and come to a board meeting to reinforce mission; they want to feel good about their work; they are looking for a sanctuary."

Such pussyfooting dampens hoped-for dialogue, innovative problem solving, and creative tension. Niceness is not a trait to purge — but a board must override it to perform dynamically. One strategy is to insert "catalytic questions" into regularly scheduled meetings or as a one-item agenda. These questions galvanize small group discussions around topics of strategic importance with reports back to whole board. They inspire board members to share opinions, experiences, and ideas spontaneously.

Examples of such questions, excerpted from *Governance as Leadership,* include

- Five years from now, what will this organization's key constituents consider the most important legacy of the current board?
- In five years, what will be different about the board or how we govern?
- What is the biggest gap between what the organization claims it is and what it actually is?

Some organizations incorporate scenario planning to capitalize on members' energy and creativity. Whether they are used to equip a board to tackle tough problems and produce results or to prepare for strategic planning, a potential merger, or some seismic shift, these techniques build a cohesive, prepared board.

TONING DOWN DISSONANCE

Most nonprofit board members tend to be compatible and cooperative, but differences of opinion and conflicts are bound to arise. When they involve critical issues and processes and are addressed with mutual respect, such conflicts are healthy for the organization. On the other hand, personal conflicts and disruptive behavior are divisive. Individual members with inappropriate personal agendas or overbearing personalities can drive away new and promising members and cause severe disorder.

The first line of defense against these predicaments occurs during the prospecting phase of recruitment, when the governance committee determines whether a potential board member has a personal agenda or an operating style that might lead to problems down the road. The committee should purposefully vet and test candidates for unqualified loyalty to the organization, the ability to set aside personal agendas, and an open attitude and respect for alternative views.

TIP

If you have a board member who always seems to be contrary and often complains about other people's work or opinions, the chair should assign this member a special task related to the issue most often complained about. This not only engages the board member in a constructive manner but also can provide the member with the opportunity to become more effective on the board.

The recruiting process does not always identify people with personal ambitions or zealous ideals who wish to use the organization for their own purposes. These people may nurture alliances and use deceptive tactics to gain power within the board.

The governance committee should present educational opportunities that deepen knowledge of the organization and promote development of skills that will support its growth and provide retreat-like situations for members to build relationships and respect for diverse styles. Such activities can encourage board members with personal agendas to recognize the ways that such agendas may subvert the organization's ability to pursue its mission. Also, the governance committee can help to counteract the imposition of personal agendas on the organization's business by conducting formal and informal board member evaluations.

The surest way to preclude destructive dissonance is to incorporate such proven practices as renewing board members' terms when their contributions align with the strategic needs, encouraging healthy debate, and offering continuous learning opportunities. In addition, working in smaller groups — during retreats and committee or task force meetings, for example — helps build relations among members. Even negative circumstances or less-than-perfect outcomes positively affect groups that work through challenges together. Sharing responsibility for the assigned task builds a growing comprehension of the scope of the organization's work and sharpens leadership skills.

QUESTIONS THE BOARD SHOULD ASK

1. How would you describe the level of trust among our board members?
2. How healthy is our board's communication with members? How — and how often — do we determine that?
3. How healthy is our board's communication with the chief executive? How do we know what challenges the chief executive faces?
4. Can we characterize our board meetings as open, honest debate? If so, what specific examples during the last year support that assessment? If not, why not?
5. Do our board retreats produce benefits more varied and profound than those at regular meetings?

Excerpted from Structures and Practices of Nonprofit Boards, Second Edition, *by Charles F. Dambach, Melissa Davis, and Robert I. Gale, BoardSource, 2009, and from the BoardSource Topic Paper "Building Trust with the Board."*

TOOL 6

I've always been fascinated by the paradox that a gathering of talented, productive individuals doesn't always result in a talented, productive group. If one hopes to build an exceptional board, one surely needs to start by attracting members with a variety of strengths and abilities. But what's the best way to ensure that these stellar individuals will meld into a brighter constellation?

My three decades of experience as a board anthropologist have taught me that a strong, positive board culture that transcends any individual or group of individuals is an ongoing challenge. Like all cultures, a board's norms of behavior get passed from one generation of members to the next. Certain practices become so ingrained in group behavior that they occur almost without anyone being conscious of them. The trick is to intentionally instill systems and practices that enhance the board's effectiveness and performance.

I have had ample opportunity to observe individuals who have good group-process skills, the capacity to engage every board member, a sense of curiosity, and the ability to learn and listen "athletically." Regrettably, I've witnessed other board members with ideological rigidity, a fear of inviting views that don't mesh with those of the inner circle, and behavioral patterns that inhibit rich debate and shut down exploratory conversations about how best to advance the mission. It is difficult for a group to generate new, often superior, solutions to its problems until it considers views that may be different from its own. It is the very act of asking questions and engaging in conversation with those who think differently that produces new ideas. If you've ever had your thinking challenged and been forced to defend or abandon your ideas, you know that this questioning, this sort of curiosity, can be uncomfortable. But a common ingredient of a high-functioning board is the presence of individual members who regularly turn to inquiry over advocacy, especially on matters that are not as clear-cut as other board business that can be tackled in a more perfunctory manner.

DEVELOPING A CULTURE OF INQUIRY

Is a culture of inquiry something that any board can develop? Yes, but not overnight. Is it worth the effort? The costs of not doing so can be high. Boards that cannot engage in candid discussions of complex issues unwittingly encourage their members to suppress or channel dissent in destructive ways. Conversely, board members as well as chief executives who understand that dissent does not equal disloyalty and that consensus does not equal unanimity have a greater appetite for these kinds of conversations. Boards that foster a culture of inquiry are not afraid to question complex, controversial, or ambiguous matters or look at issues from all sides. Inviting smart people to do this not only can make a difference to the quality of the outcome but also can make board service more interesting and gratifying. These boards make better decisions because members are better informed as a result of robust discussions in which multiple ideas are vetted. There is less rubber-stamping on such boards. Board members take full ownership of decisions — because everyone's engaged, there's less need to revisit previous decisions, and meetings become more productive.

Does this sound good to you? Does it sound like your board? If you're interested in building this kind of board culture, read on.

GETTING STARTED

It is almost impossible to maintain a culture of inquiry if the chief executive and the board chair do not embrace it. When they serve as advocates and role models, they often invest time in building trust, followed closely by three other practices and behaviors — information sharing, generative thinking, and productive meetings.

TRUST

The regular turnover on most boards continually tests board culture and group dynamics. As a result, it can be a challenge to create a culture of trust, loyalty, and mutual respect that survives the flux of rotating membership. Here are some key steps you can take to get started:

- Provide social forums for individual board members to get to know each other and the chief executive.
- Make sure everyone has easy access to the organization's documents.
- Make processes transparent.
- Permit individuals to express dissenting views, and, if necessary, coach them on doing it in a constructive way.
- Distribute leadership across the board.
- Do regular board self-assessments.
- Provide opportunities to share accomplishments as well as concerns with the chief executive through ongoing communications, annual performance assessments, and executive sessions.

When there's trust, board members are comfortable sharing different points of view and feel respected by other board members who are listening and considering their comments. Members are able to argue without it being perceived as a personal attack by other members.

INFORMATION SHARING

Chief executives who regularly distribute relevant and timely articles to their board members keep them informed about what's happening in their sector. Some also invite guest speakers to meetings to provide continuing education about topics related to the organization's mission, programs, and community.

While you're going to external sources for information, don't forget to mine the rich experiences of your own board members. You may be surprised and delighted by the precious social, political, and intellectual capital that your board members have been withholding because the culture didn't prompt them to share it.

Access to useful information is necessary so members can be informed and then engage in lively and challenging discussions. There's nothing like having to defend your point of view to make you consider all sides of it. Such discussions help everyone improve the quality of thinking and the ultimate decisions.

GENERATIVE THINKING

In their book *Governance as Leadership,* Chait, Ryan, and Taylor highlight the value of generative thinking as a means of producing solutions based on deliberation and analysis — not on gut feelings or personal preferences. It is not realistic or productive to enlist this practice at every board meeting. This kind of approach is especially suited to embryonic, high stakes issues that have not yet been clearly framed.

While generative thinking is an enabler for a culture of inquiry, it can be noisy, scary, and fast. People talk. They challenge. They build on the ideas of others. They frame and reframe situations to think about them in new ways. But it's not just about the solution; it's about making sure they've identified the right problem — possibly something quite different than what they first thought it was.

To stimulate the sharing of different points of view, start slowly, perhaps by designating someone to play the role of devil's advocate. This is one of the most useful tools I've witnessed for pushing people to examine traditional thinking and question assumptions. The devil's advocate role should alternate among different board members, which is why it's important to recruit members who bring candor and reflection to their board roles.

Another trick suggested by Chait and his colleagues to stimulate generative thinking is to begin meetings by asking open-ended questions: What's the biggest gap between what the organization claims it is and what it actually is? What three short phrases best characterize this organization? What do you hope will be most strikingly different about this organization in five years? The discussions that result will help everyone begin to frame issues in new ways.

WELL-ATTENDED, WELL-RUN MEETINGS

Once you've gathered together your board of talented, trustworthy generative thinkers, you need to ensure that their time together is spent productively. Since the tone at the top will influence whether a culture of inquiry will flourish, the chief executive's and chair's roles are critical variables.

Ideally, the chief executive is secure in inviting a range of views, and the chair possesses the skills to manage group dynamics, facilitate discussions, and encourage those not participating to join in and share their perspectives. Together, the chief executive and chair can carry out their roles as the "chief board development officers" by monitoring as well as supporting the culture. Is everyone's voice being heard? Are people listening? Is the atmosphere one where people feel "safe" and comfortable sharing unpopular ideas and questions? Is there an agenda, and does it provide time to focus on what's important? It takes a secure (and courageous) chief executive and chair to keep an eye on all of these elements while being on the lookout for personal agendas or evidence of the Abilene paradox (groupthink resulting in bad decisions based on misinformation).

Since the success of the board will be influenced by the chair's ability to facilitate group interaction, it is important to look for this skill set in officer succession planning. When these qualities are not present in the chair (and when a board agenda item cries out for generative thinking), consider asking another more skilled board member to facilitate the board discussion or bringing in an outside facilitator.

BECOMING EXCEPTIONAL

Developing a culture of inquiry where it is not a regular part of the way the board operates won't be easy. Rich debate, hard questions, and seemingly contentious discussions make things more complicated. The absence of a culture of inquiry can lead to groupthink, questionable decisions with unfortunate consequences, and dysfunctional group dynamics. Only when board members are provided with the tools to make the whole greater than the sum of its parts can boards become the exceptional source of collective wisdom that they were originally intended to be.

Excerpted from "Curious Boards" by Nancy Axelrod. Board Member®, *May/June 2006.*

TOOL 7

In *The Wisdom of Teams: Creating the High-Performance Organization,* Jon R. Katzenbach and Douglas K. Smith argue that whenever there is a need for a real-time combination of multiple skills, experiences, and judgments, teams outperform a collection of individuals with defined roles and responsibilities. At the top of their team performance curve, they describe a high-performance team as "a group of people with complementary skills who are equally committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable."

The high-performance board, like the high-performance team, does not simply evolve. An assembly of talented, competent individuals does not automatically result in a talented, competent board. In their seminal work on nonprofit boards ("Improving the Performance of Nonprofit Boards"), the research team of Richard P. Chait, William P. Holland, and Barbara E. Taylor found that without an intentional effort to develop the capacity of the individuals on a board to work as a group, their natural inclinations actually pull them toward the very things we wring our hands about — away from long-term challenges toward immediate concerns, away from strategy toward operations, and away from collective actions toward individual actions. Board members have this tendency not only because team building takes time but also because they are likely to be doers who are used to being rewarded for the operational as well as the strategic tasks they perform in their day jobs, direct service volunteer work, or other roles. The typical board can be, in Chait's apt metaphor, a "huddle of quarterbacks."

To add to the forces against teamwork, board members do not necessarily receive formal preparation for their role, nor do they know each other well or have much in common besides their positions on the board. If they are not given opportunities to build relationships, they can become an artificial or shallow team that doesn't enjoy the benefit of regular interaction. Some leaders dismiss the stuff of relationships and social dynamics as simply a function of the natural gifts or deficiencies that individuals bring to their board service. The best board chairs and chief executives, however, actively monitor how the board operates as a social system.

A board may stay in what Bruce Tuckman describes as the forming stage of group dynamics, rather than moving on to what he calls the storming, norming, and performing stages. A board that never moves beyond forming may not be capable of engaging in a culture of inquiry. Any discussion, situation, or controversy may result in apathy (if members do not feel like their peers know them or care about their opinions) or extreme positions that create polarization (if the board as a whole has not coalesced into a high-performing group with common goals and collective accountability).

The most illuminating examples of what can happen when board members — whether nonprofit or for-profit — do not engage in effective team play can be found in the colossal governance breakdowns at companies such as Enron, WorldCom, and Tyco. When corporate governance expert Jeffrey Sonnenfeld examined these meltdowns (in "What Makes Great Boards Great?"), he found two interesting things. First, the boards of these failed companies actually demonstrated some of the widely accepted governance benchmarks regarding meeting attendance, board size, committee structure, and the management acumen and financial literacy of individual board members. Furthermore, written codes of ethics were in place.

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Second, the salient difference between these failed boards and those considered the best in the field relates to group behavior. Sonnenfeld found that what makes a great corporate board great has less to do with adherence to the requirements of the Sarbanes-Oxley Act and more to do with how board members actually function together as a high-performing group. The exceptional boards Sonnenfeld studied demonstrated critical group traits such as a climate of trust and candor among board members and between board and management, a willingness to share information with board members openly and on time, a culture in which board members feel free to challenge one another's assumptions and conclusions, a management team that encourages lively discussions of strategic issues by the board, and a commitment to assessing the performance of the board as a collective group as well as of the individual members.

When high-performing boards emerge in the nonprofit or for-profit sector, they do not spring from the head of Zeus. Their cultures are intentionally and meticulously shaped. The leaders of the most effective boards, according to Chait, Holland, and Taylor, take deliberate steps to transform an assembly of talented individuals into a high-performing team. As a result, these boards demonstrate interpersonal and analytical competencies. They reflect the belief that an inclusive and cohesive board makes better decisions than do individuals. They continuously draw upon members' multiple perspectives to avoid the trap of "groupthink." They foster inclusive relationships from the time a new board member is recruited. And they build in regular opportunities for board development, gathering feedback on their performance and learning from their mistakes.

TOOLS FOR CULTIVATING TEAMWORK

1. Develop a balanced board.

Board composition is critical to stewardship, strategic thinking, and the capacity to build a culture of inquiry. Regardless of the method of board selection, the board should weigh in on the knowledge, skills, and perspectives needed in future members to renew and strengthen the board to add the greatest value. Once a year, the governance committee should seek the board's guidance to assess future organizational needs, current board competencies, and diversity criteria for the next class of board members. In addition to looking for professional skills and demographic criteria that will ensure diversity in board composition, some governance committees look more closely at personal traits that will advance the work of the board, such as experience with governance, the ability to think strategically, and the commitment to work effectively within the group process of a collective decision-making body.

Every bit as important are interpersonal, analytical, and emotional competencies, which are more difficult to describe on paper. These qualities can only be detected

by direct observation or candid feedback from someone who has worked with a particular individual within a group. For example, a board may seek to balance individuals who are talkative or argumentative with those who are pensive and reflective. Boards also benefit from members who employ pragmatism, logic, and objectivity as well as intuition, flexibility, and empathy. Subtle underlying behavioral traits matter, too, such as how a person communicates his or her opposing point of view.

These qualities are not mutually exclusive, but the point is that not all board members bring the kind of interpersonal and group process skills to the board table that have been associated with emotional intelligence. For example, some board members may have a greater aptitude for working in an entrepreneurial or hierarchical environment that does not value inclusiveness and collective decision making. Others who are brilliantly analytical and supremely rational may have a more difficult time building rapport with peers or finding common ground to move from process to action.

Diversity That Builds a Culture of Inquiry

The following composite personality types illuminate ways that individual board members can contribute to a culture of inquiry. Most people have a combination of traits that may emerge according to the situation. But a board that is completely missing any of these traits — or is too heavily weighted with one or two — will have a harder time governing in a culture of inquiry mode.

The Analyst: Adept at generating conceptual possibilities, sorting through large amounts of information, considering the consequences of proposed actions, and/or analyzing options strategically, objectively, and dispassionately.

The Healthy Skeptic: Enjoys questioning the pros and cons, testing new ideas, playing the devil's advocate, and airing "dissensus" for a good argument that will help surface intelligent doubt and illuminate the issues and the stakes.

The Facilitator: Highly attuned to the needs and emotions of others by encouraging full participation, ensuring that different views are heard, and supporting everyone to do their best thinking. Helps keep the board on track in serving the interests of the organization and the board. (Ideally, facilitator traits are present in the board chair, committee chairs, and individuals designated to lead board discussions.)

The Observer: Good at pointing out to the group insights and observations about board dynamics or other issues that illuminate board performance and get disagreements as well as accomplishments out in the open.

The Caller: Courageous, sensitive, and skillful in calling individuals on questionable or inappropriate actions or disrespectful behaviors, the board's desired norms of behavior, or the welfare of the organization.

The Coach: A cheerleader who celebrates what's working well, motivates the board to do even better, and reminds the group of the common vision, core values, and the interests of the organization.

The Reframer: Skilled in recasting a complex or divisive issue in a new light, ferreting out and framing the real challenge at hand, and opening up new possibilities to shift attention to fertile new ground for realistic options.

The Synthesizer: Quickly distills patterns, core issues, common themes, and long-range perspectives on complex, contentious, or controversial issues that summarize the discussion to help the board advance to the next step and avoid rehashing old ground.

2. Cultivate discussion skills.

Once a board of talented, trustworthy, team-willing players has been assembled, it's essential to ensure that they work effectively as a group and that their time together is spent productively. Carol Weisman, a board consultant, once lamented, in her wry manner, that she observed stronger team building mechanisms in urban youth gangs during her early career as a social worker. Compared to nonprofit boards, gangs typically set clearer expectations for new members, developed more intentional methods for orientation and continuing education, and defined clearer metrics for monitoring the performance of the group and its individual members!

The chief executive's and chair's roles are critical variables for a culture of inquiry. Together, the chief executive and chair can carry out their roles as the "chief board development officers" by monitoring as well as supporting the culture. Is everyone's voice being heard? Are people listening? Is the atmosphere one where people feel "safe" and comfortable sharing unpopular ideas and questions? Is there an agenda, and does it provide time to focus on what's important? It takes a secure (and courageous) chief executive and chair to keep an eye on all of these elements while being on the lookout for personal agendas or evidence of groupthink or "surface only" harmony. Since the success of the board will be influenced by the chair's ability to facilitate group interaction, it is important to look for this skill set in officer succession planning.

When these qualities are not present in the chair (and when a board agenda item cries out for open discussion and dialogue), consider asking another more skilled board member to facilitate the board discussion. A skilled facilitator can draw out everyone's input in a safe and respectful manner, especially if the chair lacks the group-process skills or objectivity to create this climate.

The following mechanisms can encourage open discussion:

- **Take turns.** To relieve the committee chair, board chair, or other individual leading the discussion, designate another board member to keep a running list of board members who wish to speak. In that way, no one has to focus on getting the attention of the discussion leader but instead can focus on listening to the discussion. Everyone should get time to speak, and those who have not had a chance to speak will be more likely to get their turns.
- **Use breakout groups.** When the board is tackling a particularly tough issue, it can be useful to break into small groups for parts of the discussion. Less-vocal board members may be more willing to speak in small groups and share opinions they fear will be discordant to or challenged by the majority. Each group can select a facilitator to keep the group on track and a reporter to summarize its thinking for the full board.

3. Conduct a regular board self-assessment.

Research in behavioral science, organizational development, and governance provides strong evidence that it is difficult for individuals and institutions to learn without feedback, which has an important effect on performance. When board members decide together that they're going to evaluate their own effectiveness, they're making a commitment to improvement and excellence. While Richard Chait, Jeffrey Sonnenfeld, and other governance gurus highlight the presence of active mechanisms for the board to review its performance as one of the benchmarks of an effective governing board, not all boards embrace reflection until problems surface. Boards that are self-satisfied, complacent, or disinterested in best practices can experience institutional hardening of the arteries. This condition is changing gradually, however, because boards are under growing pressure to model the behavior they expect of others in the organization and because an increasing variety of board evaluation tools is available on the market.

Well-planned and well-led board self-assessments help a board explore the secrets of how a group of high-achieving individuals from various walks of life can come together to function as a board. A board can use a number of formal and informal mechanisms to enlist feedback on its performance:

- dialogue on a dimension of the board's work at a special forum, retreat, or regular board meeting
- reflective discussion of critical incidents to learn from mistakes or accomplishments
- exit interviews with board members who have completed their terms
- feedback solicited in a questionnaire administered at the conclusion of each board meeting
- board "monitors" who make observations at the end of each meeting about group process, the amount of time the board spends on each issue in the meeting and its relevance to the board's priorities, and other matters of process and content. Board members take turns monitoring meetings.
- internal reviews by an ad hoc or standing committee of the board, such as the governance committee
- board self-assessments — either mini-assessments or more comprehensive ones — that invite board members to assess the board against its discrete responsibilities, structure, and group process

Board members, like most people, are not inclined toward unbiased self-analysis. The value of a formal self-assessment process is that it allots a specific time, a priority, and a forum to self-improvement. A constructive self-assessment yields perceptions about the board's value, strengths, and weaknesses to illuminate how the board views itself.

A cardinal rule for evaluations is to tie them to results. Busy board members want feedback on the assessment findings and specific guidelines for improvement. If an evaluation report winds up on a shelf, the board can easily get assessment fatigue. Board self-assessment should be scheduled at a time when the board and the chief executive are most willing to learn from and act on concrete, assignable, and actionable steps the board can take. Self-assessment can be enhanced by

- clarifying the objectives of the assessment
- customizing a diagnostic tool that is relevant to the board's work for each board member to complete
- scheduling a meeting or retreat dedicated to exploring the results and deciding on ways to improve the board's performance
- preparing a plan of action to follow through on the results

As a corollary to board self-assessment, it is important to have regular opportunities to share accomplishments as well as concerns before problems fester. Options include ongoing board communications, annual chief executive performance assessments, and executive sessions when warranted to foster frank and timely communications.

Board Meeting Evaluations. In addition to conducting full-scale board self-assessments, consider soliciting evaluations from board members after each meeting. These easy, 60-second written evaluations can include up to five questions that probe board members' opinions about the board's work as a whole and about whether their own views and ideas were heard and valued:

- How effective was this board meeting?
- What was the most important decision we made today?
- How much of our time was spent on operational versus strategic matters?

- What was the most interesting or engaging part of today's meeting?
- Was the agenda properly constructed?
- How could this board meeting have been improved?

In some organizations, the board chair leaves time at the end of every meeting for an oral debrief. Regardless of the mode of board self-assessment, the important thing is for the board chair to communicate the results, follow up with any board member who expresses particular concern about an issue or expresses reluctance to speak, and convert the results of this continuous learning tool to actions that need to be taken for continuous improvement.

4. Strengthen the committee structure.

Like large teams that must delegate some of their work to subunits, most boards find it difficult to carry out their work without committees. But when committees become silos or mini-boards, they can undermine the collective capacity of the board to function as a high-performing group. When active committees begin to take on lives of their own by generating their own charges, agendas, and work plans that are unrelated to the board's strategic plan or strategic agenda, they can become the tail wagging the dog.

Committee work should be driven by what the board, as a group working together, determines can be accomplished best in committees. Good practice calls for the board chair and chief executive to revisit committee objectives and deliverables once a year to ensure that they derive from the board's strategic agenda, select chairs and committee members who have the best qualifications, and review the viability of the committee structure. This annual assessment may reveal standing committees that have been treated like sacred cows but are no longer functional.

Many boards are reducing the number of standing committees and creating more task forces, advisory groups, and ad hoc committees designed to accomplish specific objectives within specific time frames. Using task forces allows a board greater flexibility in tackling immediate issues. This practice also helps a board focus on institutional and board priorities rather than being bound by tradition. A task force can provide a welcome alternative for busy board members who are able to handle a short-term assignment with a discrete, finite task but not a long-term role on a standing committee. It provides additional opportunities to select members who can advance a culture of inquiry and to screen the competencies of nonboard members of the task force as potential board candidates.

To prevent a committee structure from becoming cumbersome, a zero-based committee structure exercise ensures that form follows function. Every few years, have the board begin hypothetically with no committees. Only after revisiting or determining organizational strategy and priorities can the board establish specific committees and task forces that are aligned with current goals, objectives, and priorities. The underlying assumption for each committee or ad hoc group is that it will disband either when it has met its objective or when the board decides it should disband. The zero-based committee exercise relies on the input of the entire board to ensure that committees actually enhance the board's collective work and to prevent the board from getting trapped in an obsolete model.

The Board-within-the-Board Syndrome

A common weakness of large boards or boards that don't meet frequently is to rely on a small group within the board, such as an executive committee, to act as the board within the board (BWB). Well-structured executive committees can be helpful if they understand and execute their circumscribed role — but not when they usurp the role of the board. The following warning signals and interventions help prevent this syndrome.

Red Flag: The BWB makes most of the board's decisions.

Consequences: Board members who do not serve on the BWB feel disenfranchised and can be unpleasantly surprised when they learn of an outcome of a decision for which the collective board is responsible and liable — but not enlisted.

Interventions: Consider whether there is a continuing need for the committee or group that forms the BWB. Explore whether the underlying cause for the BWB relates to the large size of the board, an inadequate committee structure, or other reasons that have created a powerful inner group calling most of the shots.

Red Flag: The BWB meets more frequently than and/or immediately prior to every board meeting.

Consequences: Board members are accountable (and liable) for questionable decisions made by the BWB on their behalf.

Interventions: Confine the work of the BWB to matters that cannot be handled by the full board.

Red Flag: Most board members learn about major governance or management problems when the story hits the front page.

Consequences: Board members not in the "inner loop" continuously question the integrity of the board's decision-making process.

Interventions: Ensure that the meeting agendas, minutes, and decisions of the committee or ad hoc group are sent to the entire board as soon as possible before and after it meets. Invite the entire board to genuinely shape strategy or assess options on decisions offered by committee or ad hoc group.

Excerpted from Culture of Inquiry: Healthy Debate in the Boardroom *by Nancy R. Axelrod. BoardSource, 2007.*

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TOOL 8

Creating a collaborative, team culture in your boardroom is one way to take your board from responsible to exceptional.

When most people think of high-performing teams, they think of sports teams, trauma center professionals, or fire department crews. They rarely think of nonprofit boards. Still, if you want an exceptional board, you need to create a high-performing board team.

One reason boards don't always resemble great teams is that they lack a shared goal, a common purpose. Sure, the members are there to support the mission, but that doesn't automatically lead to a common understanding about what they should do in support of it.

DEVELOP A BOARD MISSION STATEMENT

One way to get board members on the same page is to develop a mission statement for the board itself. Here's an example from a community service organization:

> "The board's mission is to ensure the long-term ability of this organization to provide best-in-class services by focusing on long-term funding sources and by enhancing public recognition. This requires us to position the organization strategically to best respond to the critical needs of children and families."

Working together on a statement to determine their common purpose is an empowering, enlightening, and team-building process for board members. Begin by asking the board, "What is it that this board provides to the organization that no other board can?" After everyone has answered, break into small groups to discuss the responses and produce one statement that is reflective of each group. Display the responses, and have the full board look for commonalities and agree on one final version.

Not only does this activity end with a common purpose for the board, but it also builds and solidifies relationships among individual members.

DETERMINE YOUR GOAL

The highest performing teams focus on worthy goals. The Pareto principle, also known as the 80-20 rule, applies here. Boards should spend 80 percent of their time on the 20 percent of topics that have the most bearing on the organization's success. But how do boards determine what those topics are?

One way is to ask the board, "What is the most important question we will have to address in the next 12-18 months?" If numerous topics emerge, have the members vote. Distribute green, yellow, and red sticky dots to all members: A green dot denotes their top choice, three yellow dots denote their next three choices, and a red dot — their veto dot — rules out a topic. Once everyone has voted, it's easy to see what the board deems important. You then might prepare an annual work plan and agenda that reflects the board's priority or structure the board into task forces to address key issues and make recommendations.

Participating in a strategic planning process or initiating a capital campaign are other ways of getting the board involved in setting a compelling direction for itself and the organization.

MAINTAIN A SENSE OF URGENCY AND FOCUS

Because board members typically only meet quarterly, it's easy to become complacent. So how do boards maintain a "reasonable" sense of urgency and stay focused without being seduced or sidetracked by the "strategy de jour" or "goal of the hour"? You've probably heard the saying that some people have never met an idea they didn't like, and the same can be said for board members. One way to avoid getting sidetracked is to create a dashboard or rubric against which to gauge new ideas. If a topic arises that seems urgent but has no bearing on the dashboard indicators or rubric, chances are the board should not pursue it.

GET THE RIGHT PEOPLE ON THE TEAM

How can you tell if a potential board member will be a team player? Have a courtship before marriage. Invite a potential member to serve on a task force or ad hoc group. Get to know candidates by inviting them to lunch or organizational events. Pay as much attention to fit as to fundraising, to chemistry as to cash, to team spirit as to time available. And let potential members know what's expected, not only in terms of time and treasure but also decorum and discourse.

ASSESS PERFORMANCE

Winning is easily defined for a sports team. But in the boardroom, what is winning? Enlightened board members might say that winning is effectively defining the game or framing the issue, asking probing questions, debating matters of significance relating to mission and core values (the stuff without easy answers), holding meaningful meetings that engage all board members, and making decisions of magnitude.

Ultimately, a board must assess its performance to determine if it is "winning." Some boards assess each meeting, rating the quality of dialogue and decisions. Some boards self-assess annually utilizing a tool that allows them to rate the board as a whole. Still other boards participate in peer evaluations where each board member evaluates all other board members, anonymously, on observable behavior at meetings. The form of the assessment is less important than the activity. Just as the board holds management accountable, so should it hold itself responsible for performance.

Not all boards are teams. While it's not necessarily bad when board members operate as players, but not as a team, there can be negative consequences, such as mixed messages to management, individualized priorities and performance metrics, and failure to tap the collective mind of the board. At your next board meeting, ask "What most influences or affects the performance of this board?" The responses will likely be issues touched upon here: teamwork, group dynamics, membership, focus, and direction. Spend some time discussing what emerges and explore whether your board can benefit from becoming a team.

Excerpted from "Govern as a Team" by Cathy A. Trower. Board Member®, *September/October, 2008.*

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TOOL 9

WAYS TO GET BOARD MEMBERS INVOLVED:

- Conduct board meetings that focus on strategic issues and get important things done.
- Encourage all board members to ask questions and actively participate in board discussions.
- Be honest in expressing your opinions.
- Build relationships that foster trust and promote accountability.
- Engage new members in meaningful activities based on their skills, talents, and interests.
- Follow sound board development practices to create a positive working climate for all board members.
- Develop effective communication processes for quick information dissemination and responses.

BARRIERS TO KEEPING BOARD MEMBERS INVOLVED:

- The board is too large. Some board members do not feel needed.
- The board is too small. Board members feel overwhelmed or suffer from insufficient stimulation or limited perspectives.
- The executive committee is too active. If it meets too often, the rest of the board may feel like a rubber stamp or disengaged.
- Members received insufficient or ineffective orientation.
- Agendas are weak. They lack substance, are too long or too routine. Board members fail to see the relevance of board meeting topics to organizational performance.
- Members do not feel well used or important. They will decide that they have better things to do.
- There is little or no opportunity for discussion. Board members feel bored or frustrated.
- A few board members are allowed to monopolize discussion, to take up disproportional amounts of airtime, and carry disproportional weight in decisions.
- The board lacks social glue. Board members have little in common except board service and do not have opportunities to get to know each other.
- Status differences get in the way of team development.
- Board members lack passion for the mission.
- Board participation has become routine after many years of service.

Excerpted from The Board Building Cycle: Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members, Second Edition, *by Berit M. Lakey. BoardSource, 2007.*

TOOL 10

We are all motivated to serve on a board for different reasons. Some reasons are purely personal; some are directed solely to benefit the organization; and the rest are intertwined. Some board members prefer their tenure to remain calm and quiet with no surprises, requiring little effort; others are looking for challenges and active involvement. The success of these aspirations greatly depends on the right match between the board, its needs, and the individual board member's willingness and ability to comply. It only takes one thing for a board to accomplish its mission: It must attract members who are committed to the cause, no matter what it takes. These board members must be actively engaged and find their board service satisfying.

COMPLACENCY

Even if the board is not involved in the day-to-day activities of the organization, its role is not void of action. Escaping stagnation alone is a challenge. The enemy of strong results and positive outcomes is complacency. Complacency characterizes a board that is perpetually satisfied with today, seeks the easy way out of situations, and avoids rocking the boat. A complacent board continues to do things as they have always been done and fails to question whether new approaches might be more efficient and productive for the future of the organization. A complacent board often becomes a rubber-stamp: It allows a charismatic chair, a strong-willed chief executive, or a powerful executive committee to determine the action items and the final decisions without full board consent. In a rubber-stamping board, board members do not distinguish between their individual and collective responsibilities and going with the flow becomes normal and acceptable.

COMMITMENT

Board activity flows from individual contribution. Individual board members must take the vows of participation — starting with the right mindset. Commitment is the base for board action, functioning as a primary motivator. Commitment becomes second nature for board members when they feel they have a stake in the success of the organization.

PARTICIPATION

Monitoring past performance, regularly reviewing legal and industry standards, approving management recommendations for action, and assessing the existing policies and procedures are ways to ensure compliance. However, these methods do not propel the organization forward. The board must devote most of its time on issues shaping the future. With the chief executive, the board defines the future priorities and plans its meetings around these drivers. The board commits to and participates in the planning — not only by ensuring that a written plan exists but by ensuring that continuous strategic thinking molds the next steps.

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Individual board members accept the challenge of having to prove their own added value to the organization. It is not enough to arrive with impressive credentials if these assets are not put to use. Engaged board members want to be used and, in return, get satisfaction out of their personal engagement.

An engaged board member sets personal goals, rolls up the sleeves, takes initiative, and jumps into action. This should happen beyond the normal requests for participation in fundraising campaigns, accompanying the chief executive during major foundation visits, attending organizational conferences, or serving as a spokesperson when board presence makes a difference. An effective board member is clear about his role and responsibilities, understands his authority, and is committed to see results. Positive change happens through a need to make a difference, by undertaking initiatives and engagement. Committed engagement outside of the board room involves

- being available for the chief executive when expert guidance or opinion proves helpful
- using personal connections and affiliations to introduce the organization to potential funders, volunteers, clients, and suitable board member candidates
- inviting — and paying for — guests to attend events organized by the nonprofit
- volunteering for leadership positions on board and, by example, encouraging others to do the same
- committing to raise a certain sum via personal contribution and fundraising
- learning about industry requirements, good governance practices, and overall sector concerns and transferring that knowledge into the boardroom
- actively seeking ways to help during transitions, unexpected events, and emergencies

MINDSET

Besides expressing dedicated participation in leadership and mission advocacy, an effectively engaged board possesses an uncanny manner of running its own affairs. It is energized by constant search for improved solutions. It focuses on learning, interaction, creativity, and making sense. It not only looks for the right answers but knows how to ask the right questions. Out of this inquisitiveness comes a board culture that is not leader-specific but that forms a foundation for future generations of board members.

Regular board meetings resemble retreats. Board members know each other and actually talk to each other — both informally and professionally. They understand the benefits of diversity and of individual opinions. The board is able to synthesize differing views into a viable opinion that reflects the needs of the organization at that time. Ultimately, the board will thrive on challenges rather than seeking easy answers.

TOOLS FOR ENGAGEMENT

The following mechanisms help form the foundation for an engaged board.

- Culture — Accept positive tension. Listen and hear. Thrive on challenges.
- Structure — Be flexible. Manage change.
- Evaluation — Measure outcomes. Define impact. Engage in self-assessment.
- Rewards — Expect results. Learn from mistakes. Recognize achievements.

Excerpted from the BoardSource Topic Paper "The Engaged Board."

TOOL 11

While working on the front end to recruit more committed, loyal, fully participating board members, a good board also should face up to the problem of finding a gracious way out for others. Inactive members are those who do not consistently fulfill the expectations of board service, such as attending a majority of board meetings, contributing to the work of a standing committee, and representing the organization at community or membership-related events.

Rather than allowing faithful board members to become discouraged by the inactivity of some, the board chair should call together a few board veterans to discuss the problem. Why might these board members have lost interest? Is there a personality conflict that needs to be resolved? Is there something about the board's operations or working style that is allowing decision making to be dominated by a few? Have other priorities in life taken over? Perhaps these members would prefer to resign but don't wish to appear disloyal to the organization.

When a board decides to analyze the problem of inactive board members, it may discover that poor recruitment and orientation processes were in place. In this case, the board and the individuals at issue share the problem.

The following are ways to boost the likelihood of full participation.

Institute a required rotation.

Consider amending the bylaws to require everyone to be off the board for at least one year after a certain number of years of service. This policy allows board members a periodic freedom of choice about further service. Except in larger, more complex organizations such as universities and hospitals, six years—either two three-year terms or three two-year terms—is a good length of time before a required year off.

Some board members will take a year off with no demonstration of continued interest at all. That signals that reelection would be a mistake for both the individual and the board. Those who want to stay involved will return rested and ready for business after the required sabbatical.

Appoint nonboard members to board committees.

If your bylaws allow this, some board members will more readily volunteer to leave the board as voting members if they can continue to serve on a board committee. Board membership may not be that important to these people, but they would like to help in a particular area of interest, such as strategic planning or finance. Absent such a provision, they may feel they need to be on the board to contribute their expertise.

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Have a friendly, nonthreatening conversation.

This might be initiated by the board chair or the member who recruited the person for the board. Inactive board members won't be surprised that someone is concerned enough to say something about their absences. They have been aware (often with great guilt) of their delinquency for some time. They just didn't know how to handle the idea that they should resign. And at other times, the problem is simply a misunderstanding or a false assumption that can easily be cleared up. Usually, an agreement is made, and you either have a reactivated board member or one who feels he or she can now leave without hard feelings.

Establish a board alumni council.

In organizations without required term limits, a board member who is loyal to the mission and wants an ongoing affiliation may stay on the governing body because there is no appropriate alternative. Some are major donors who are kept on, in spite of their inactivity, for an understandable reason. But after a decade or more on the board, the board member is probably burning out or looking for new challenges. So formalize a means for former board members to remain connected to one another and to the organization.

Establish an attendance rule with automatic termination.

No one likes to fire a respected friend and volunteer, so some boards adopt a rule that says board members are automatically terminated following two or three unexcused absences. The trick is defining "unexcused." Usually, an excused absence simply means the board member notified the chair in advance that he or she couldn't attend a meeting. Without these advance notifications, a no-show board member would be unexcused.

At some point, the chair should inform the delinquent board member in writing that the board has agreed, absent an immediate request for reconsideration, that the automatic termination provision should take effect.

Develop an annual affirmation statement.

Just before the annual nominating and election process begins, distribute an affirmation statement for board members to sign. This statement is a good reminder of the obligations to which a board member has committed. It also provides an opportunity to respond, "My life has changed, and I feel I can no longer serve for the coming year." Both the board and the individual benefit from this honesty. Everyone understands that life has many priorities, and there are no hard feelings when one opts off the board. Of course, good board members can always be reelected when their lives will allow active service again.

People are sincere when they commit to board service with the full intent to be an active member. But personal situations change. A failed business, the death of a family member, a transfer to another city—whatever the reason, board members have to look at their original commitments through a different pair of glasses. The annual statement provides that opportunity.

BOARD MEMBER ANNUAL AFFIRMATION OF SERVICE

1. I continue to be fully supportive of our mission, purpose, goals, and leadership.
2. I understand that board membership requires the equivalent of X days per year of my time, including preparation and meetings. I am able to give that time during the twelve months ahead, and I expect to attend all board and committee meetings unless I give the respective board chair advance notice of my need to be absent for good cause.
3. I intend to contribute financially to the work of our organization during the year and will help open doors to friends who may be interested in contributing to our work.
4. I have reviewed, signed, and intend to comply with our board's conflict-of-interest policy.
5. [Add other items important to your board.]
6. If anything should occur during the year that would not allow me to keep these intentions of being a positive contributor to our board, I will take the initiative to talk to the officers about a voluntary resignation to allow another to serve who is able to be fully involved.

Signed _____ Date _____

SUGGESTED ACTION STEPS

1. Board members, determine whether a board member's inactivity might be tied to the recruitment process. Restructure that process to prevent problems in the future.
2. Board chair, visit with a few former board members for their suggestions on how to improve board members' engagement with the organization.
3. Board members, develop an annual affirmation of board service to be signed by each board member.

Excerpted from The Nonprofit Board Answer Book: A Practical Guide for Board Members and Chief Executives, Second Edition, *by BoardSource. Jossey-Bass, 2007.*

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PART 2

STRUCTURE MATTERS

struc·ture *n.*
a system or organization made up of interrelated parts functioning as an orderly whole

TOOL 12

Leaders have a lot to do with the quality of a team. A board without experienced leadership is often a group without direction. Every board needs to plan for officer succession: how to identify leadership qualities, elect the best candidates for the positions, train the officers for their roles, and ensure timely rotation. Serving as an officer is an added responsibility but it also provides an opportunity for a board member to show special commitment and improve his leadership skills.

ROLE OF OFFICERS

An officer is a board member with extra duties. Most state laws require certain officers within each board. These roles are defined in the bylaws. The following positions are common in boards.

The most demanding task lies on the shoulders of the *chair.* She is the chief volunteer officer and role model for the board. Her responsibility is to develop the board as a cohesive and effective team. The *vice chair* fills in when the chair is not able to carry out the duties. A *chair-elect* is a chair-in-waiting. This position provides for automatic succession when the term of the chair is up. The *treasurer* keeps the board on top of the finances. The *secretary* keeps the minutes and the board records. This position is more and more often filled by a staff person. On some boards the positions of secretary and treasurer are sometimes held by one person if the bylaws allow it. (More detailed job descriptions for officers can be found in the BoardSource publication *The Nonprofit Policy Sampler, Second Edition*).

ELECTING OFFICERS

The traditional voting mechanism relies on the governance committee to prepare a slate of candidates. If the committee reflects the composition of the board and is fair and open-minded, it has a chance to create a sensible slate. When this is the case, board members can consider its recommendations well-founded and sound. Through open discussion the board makes the final choice from the slate. If the governance committee has not earned the trust of the rest of the board members or the role of the committee is unclear, officer election can turn into unnecessary confrontation and into choosing winners and losers.

Another method for electing officers is for the governance committee to facilitate the process. It collects nominations from board members, communicates back and forth with candidates, and finally recommends one candidate who emerges as the best choice for each position. Finally, the board confirms the nominations.

In membership organizations the corporate members — besides electing the board — may also elect the officers. As it is much easier for board members to assess the qualifications of candidates and the needs of the board than for the entire membership to bear this responsibility, it makes sense to strengthen the role of the governance committee in the eyes of the members. Explain the role of the committee and show that the members can trust its recommendations.

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LACK OF CANDIDATES

What should a board do when there are no willing or capable candidates? Here are some ways to deal with that difficult situation.

Long-term Solutions:

- Ask the preliminary question: Why don't we have candidates for all the officer positions? Only by defining the underlying reason are you able to find a long-term solution.
- Assess your recruitment criteria. Bring in new board members with leadership experience. Let candidates know they are encouraged to take on officer responsibilities.
- Evaluate your training and leadership development opportunities. Help willing candidates learn and obtain the tools they need to take on added duties. Serving as committee chairs is an excellent occasion to learn.

Immediate Solutions:

- Analyze the job descriptions and expectations. If one is too heavy and demanding, divide the responsibilities. Too much to do may act as a deterrent for potential candidates. If really necessary, create a co-officer or assistant officer position.
- If you have a chair-elect position, discuss its benefits. Is long term commitment too demanding for some candidates? How could this person share the duties?
- Consider shortening the overall term lengths to make the commitment more acceptable.
- As a last resort, see if the present officer would accept to extend his term by a year in order to provide training time for his successor. This choice should not serve as an option to delay necessary leadership change. It might also necessitate an amendment in the bylaws.

TERM LIMITS

Officer term limits should be tied to regular performance evaluation. Before a candidate can be re-elected, he or she must go through peer approval. Term limits also permit other board members to have a chance to exercise their leadership skills. It is easier to avoid stagnation, undue concentration of power, and continuous inadequate leadership if the positions come with a set term. For instance, a two-year term allows an officer to have an impact by accomplishing a specific agenda. Ultimately the board has always an option to re-elect an exceptionally effective leader for a consecutive term — providing bylaws allow for an additional term.

REMOVAL OF OFFICERS

The bylaws should spell out the process for board officer removal. Removal is necessary when a major disagreement cannot be solved by other methods. Reasons for removal could include not fulfilling board requirements or inappropriate behavior. Each board needs to determine the gravity of the charges on a case-by-case basis. Each board must determine whether the officer-in-question will be removed from the position or be asked to leave the board.

Excerpted from the BoardSource Topic Paper "Board Leadership."

TOOL 13

Is there an ideal board size? Possibly, but the ideal size is likely to be different for each board. One size does not fit all. Each board needs to define its optimal capacity at any given time.

HOW TO DETERMINE THE BEST SIZE FOR YOUR BOARD?

Start by asking what your board needs to accomplish. Optimal board size may vary according to the moment in the board's life cycle, its mission, its fundraising necessities, and whether it is a national or a local board.

In most states the laws dictate the minimum size for nonprofit boards. Usually it is three, but in some states only one board member is required. Some boards function under a representational mandate; their composition needs to reflect the constituency, and this creates an upward pressure on the size. As productive communication is affected by the size of a gathering, group dynamics may become a criterion for structuring your board.

COMMON CHARACTERISTICS OF LARGE AND SMALL BOARDS

Large Boards:

Pros:

- A larger size provides enough people to more easily manage the work load of the board.
- Fundraising becomes less of a burden when the responsibility is divided among many members.
- More perspectives are represented.

Cons:

- Bigger boards may not be able to engage every board member in a meaningful activity, which can result in apathy and loss of interest.
- Meetings are difficult to schedule.
- There is a tendency to form cliques and core groups, thus deteriorating overall cohesion.
- There is a danger of loss of individual accountability.
- It may be difficult to create opportunities for interactive discussions.

Small Boards:

Pros:

- Communication and interaction is easier. Board members get to know each other as individuals.
- Potential satisfaction from service can be greater due to constant and meaningful involvement.
- Every person's participation counts.

Cons:

- Heavy work load may create burnout.
- Fundraising may become a major burden on the shoulders of a few.
- Important opinions or points of view might not be represented.

AVERAGE BOARD SIZES

Remember that every board is different. Average figures only reflect what exists, not a recommended norm. Newly-formed boards often start cautiously with a small number of members, and expand as the organization gets more established and the programs and services diversify. It is common to encounter large boards in older, more institutionalized organizations where a principal role of the board members tends to be fundraising. Small community-based nonprofits are often governed by a few devoted volunteers. A recent BoardSource survey found that, among those nonprofits who responded, the average size of the board is 16, the median 15.

REGULATION OF SIZE IN THE BYLAWS

Normally the size of the board is determined in the bylaws of the organization. It is wise to set a guideline within a certain range, not an exact number, so that an unforeseen situation does not force the board to contradict its bylaws. Term limits and constant recruitment secure a continuous balance. Some boards find it important to have an uneven number of members to avoid a tie vote. This, however, can be managed by the chair who can either abstain from voting or cast a determining vote to break a tie.

RESIZING

Structural factors, including size, can have consequences on the board's efficiency. Down-sizing or increasing the size may eliminate some road blocks, but the board's core problem may lie elsewhere. Before restructuring the board, it may be wise to search elsewhere for reasons of malfunction. Is there a lack of commitment or lack of leadership? Involving outsiders in committees, task forces or advisory groups is another way to benefit from skills and perspectives without actually changing the board's size. Executive committees may also facilitate the functioning of a larger board.

Excerpted from the BoardSource Topic Paper "Size of the Board."

TOOL 14

Rotation is a healthy and natural way of providing change and necessary transformation for a board. Bringing in new board members on a regular basis keeps away stagnation and gives the board an opportunity to renew itself. Each board should establish its own system for defining terms limits.

Where are term limits defined?

Term limits for board members should be defined in the bylaws of the organization.

What are the most common term set-ups?

According to a BoardSource survey, nearly three quarters of the respondents reported using three year terms. Those who use limits, on the average, have a maximum of two terms. A staggered term system allows a certain number of new members to be chosen each year, preventing no more than one half (preferably one third) of the terms from expiring at the same time. Without any term limits, some board members may serve 20-30 years on one board. An upper-age limit also exists but is controversial (for instance, mandatory retirement at age 70).

What are the advantages of having term limits?

- Possibility to work with active community members who can devote only a few years to service
- Easier inclusion of diversity into the board structure and keeping in touch with constituents
- Built-in balance of continuity and turnover
- Rotation of committee assignments
- Fresh ideas and new perspectives
- Regular awareness and positive attention to changing group dynamics
- Opportunity for the board and the retiring board member to reassess mutual willingness to continue working together
- Easy exit for passive and ineffective board members
- Mechanism for dismissing troublesome board members
- Possibility to enlarge the circle of committed supporters by keeping retired board members involved

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What are the disadvantages of having term limits?

- Loss of expertise
- Loss of organizational memory
- More time dedicated to recruitment and orientation
- Additional efforts needed to keep the group cohesive

What are the disadvantages of not having term limits?

- Stagnation if no change occurs among the board members
- Perpetual concentration of power within a small group
- Intimidation of occasional new members
- Tiredness, boredom, and loss of commitment
- Change in demographics of the constituency or environmental factors not reflected in the board

Before a board member leaves, do the following:

- Make sure your governance committee is prepared in advance with a fresh list of new candidates.
- Make a habit of conducting exit interviews. These are excellent occasions for the governance committee to get feedback from retiring board members.
- Create guidelines for emeritus status for truly outstanding board members.
- Be inventive in finding other ways to keep productive members attached to the organization (committee assignments, ad hoc task forces, advisory committees, fundraising activities, volunteer activities).
- Require a sabbatical year after the last term to allow the leaving board member to look back and reassess his interest in the organization before asking for reappointment.
- Plan to keep in touch with old board members; they are excellent ambassadors for the organization.

Excerpted from the BoardSource Topic Paper "Term Limits."

TOOL 15

How well board members carry out their duties, communicate with each other, work as a team, or solve problems are all closely related to the board's culture. These factors can either result in an efficient and productive team that works well together or as a dysfunctional and unproductive group. This chapter discusses the use of parliamentary procedure and explores a variety of decision-making and voting practices. It also looks at how a board's culture and structure affect the way that work is accomplished.

By looking at a board's processes in more detail, it is possible to determine whether it is a group hung up on procedures, functioning more as a private social club, or one that is continuously accomplishing something important. Running a meeting like a neighborhood social gathering is not the objective — no matter how enjoyable it can be. The board should meet for business reasons. Every board meeting should include some substantive matters that require the full attention of every member. If the environment is not conducive to business, haphazard decisions can result. If the culture of the board is too relaxed, it may be easy to step out of line and forget or ignore the legal aspects required for a board meeting.

For some boards, it may be helpful to set a dress code for board meetings. This can be communicated at a board member orientation or as part of casual conversation to new recruits. Whether it's business attire or more casual clothing, having everyone "fit in" eliminates any unnecessary judgment of a peer's importance or role on the board. However, board members should be sensitive to cultural, ethnic, and economic differences.

Every board needs some structure for its internal operations. Without structure there is no common reference to rely on when the unexpected happens. Specific standards serve as a guide to do the right thing, particularly when inappropriate board member behavior must be addressed. Standard practices help to bring clarity in dealing with disorder in the boardroom, with members who are habitually late, or even with illegible minutes. At the other end of the spectrum, too much structure and too many rules can stifle creativity and cause members to focus more on rules than results.

The most basic structural element of a business meeting is to start and end on time and this is the responsibility of the board chair. However, he or she cannot always control the comings and goings of individual board members unless the board culture has already stressed the importance of respecting the meeting's time frame. Board members often are busy people, running from appointment to appointment; or they are parents who must accommodate their children's schedules. It is common courtesy to stick to set time limits, show respect for private time, and allow board members to remain attentive to the rest of their lives.

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A board has total freedom to choose its method for conducting its meetings, as long as all legal requirements and genuine ethical expectations are met. No state law or federal law regulates the very detailed processes — or lack thereof — in a private business meeting. Fortunately, the choice to follow a strict parliamentary procedure or take a more relaxed approach is an internal decision. Some structure and order are necessary to keep proceedings from getting out of hand and to help guide the decision-making process.

BOARD STRUCTURE AND THE ROLE OF PARLIAMENTARY ORDER

Robert's Rules of Order is the most comprehensive, most widely used reference of meeting manuals. The original edition saw light in 1876; today, it is in its 10th edition. It is the most referenced meeting guide in the United States and appears as the referee in the bylaws of more nonprofits than we can manage to count. The detailed rules described in the book actually are best in a larger parliamentary setting, where the representatives determine what is best for their constituents who elected them (i.e., government representatives). Each representative does whatever is necessary to get his or her opinion accepted. It is standard and acceptable to represent a specific group and drive that group's agenda. Competition can be fierce between representatives of different opinions. It is important in that setting to follow rules and regulations so that everyone follows exactly the same procedures. Deviations may indicate that one side is being advantaged or disadvantaged. Exact process matters. If process did not exist, it would be easy to contest every unfavorable vote by referring to technicalities that are otherwise deemed unarguable by relying on procedure.

This atmosphere is (or should be) foreign to small nonprofit boards. Board members do not (or should not) act as representatives for a specific section of the organization's constituents and solely advocate its needs. They should certainly bring the understanding, wishes, and preferences of their groups into the boardroom, but only in the form of examples and testimonials of perspectives that the full board must consider when looking at the needs of the constituency at large. This principle does not mean that a board member should not have strong individual opinions on an issue. A variety of individual opinions brings diversity to the discussion and has an impact on how the final opinion of the board is formed. This understanding allows the board to focus on results and not get bogged down by process details as can happen in a true parliamentary setting. It provides flexibility that can be adapted to the culture of a board; it focuses on discussion and deliberation rather than on structuring every expression into a specific order.

A large number of nonprofit bylaws mention that board meetings are run according to Robert's Rules of Order. This can be seen as a good or bad thing. Without a doubt, the 700 pages of this "little" red book contain innumerable wisdoms and solutions to many sticky situations. They also spell out the exact steps for just about every boardroom event in detail. If the bylaws stipulate that Mr. Robert determines the board's processes, this notion cannot be selective. Either the rules are followed or the board should clarify its relationship with Robert's Rules in the bylaws.

By no means is this to say that structure and certain elements of parliamentary order should be eliminated from board meetings. Every meeting needs a frame, defined processes, and order. Without them — no matter how jolly and informal the atmosphere in the boardroom is — oligarchy or chaos can creep in. All parties might be speaking at the same time, the agenda would be difficult to follow, and the chair could lose control.

To avoid such chaos, at minimum: Check whether a quorum is present; declare the meeting started and adjourned; include motions, along with someone to second the motion; and allow the chair to facilitate discussion and make judgment calls when order is lost or unruly members dominate the floor. It is necessary to create a general understanding of what to do if an impasse happens and board members should be educated about the accepted processes and when they apply. Chairs need training in facilitation techniques to keep the team interconnected while respecting the members' right to express differing opinions.

When the chair leads the board through the agenda, the use of basic parliamentary order keeps business moving forward. Using motions, board members can bring in issues for discussion. This facilitates tracking and recording. But when a major discussion is launched, the most flexible and probably productive method is to rely on the chair's skills in facilitation. Deliberation can be guided by the chair with a more free-flowing manner that invites open contemplation and creative solutions. When the chair judges that all opinions have been aired and that the group is ready for a vote, he or she may then put the motions back on the table and record the voting results.

If a board chooses to have a professional meeting reference guidebook, such as Robert's Rules of Order, it should first study some available books and documents and choose the reference that most closely fits the board's comfort level. A board should determine what parliamentary order means to it and indicate in the bylaws how it plans to use the reference. To include flexibility in the processes, the bylaws could state that the reference serves as a tool to solve a bottleneck when the board is not able to agree on a process issue through direct communication. Legal counsel should interpret the board's intent. Here is one example:

> In case of an impasse or in a situation that cannot be solved via discussion, the board relies on the guidance of Robert's Rules of Order [or another reference of choice].

USING DELIBERATION IN DECISION MAKING

As already discussed, meetings need overall structure. Without any structure there is chaos. For a board that thrives on rules and repetitive framework, some level of parliamentary order may provide the desired frame for meetings. But certain parts of a meeting can always benefit from a more laid-back approach. The board chair can announce when the meeting suspends parliamentary rules and moves to deliberation. Then the chair can guide the discussion without having to incorporate motions and other details into the process. When it is clear that the board is ready to make a decision, the chair announces that the deliberation part is over and the regular process takes over.

Deliberation drives good decisions; it is the meat and bones of a meeting. During deliberation, members of the board discuss all sides of an issue. Without a thorough airing of all aspects relating to the issue under discussion, it is difficult to end up with a conclusion that is sound, founded, and fair.

The following is a basic outline for the chair to conduct the deliberation process and to use deliberation time constructively. Board members should have prepared for the meeting by defining the pros and cons ahead of time. The left column outlines the process while the right column provides an example of how deliberation works. In this case, the board of a youth service organization is discussing options for program collaboration with other organizations. To prepare, the program director wrote a report to frame the issue and sent it to board members so they could come to the meeting ready to discuss the pros and cons of the issue.

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Process for Deliberation

Steps in the Process	Process for Youth Organization Board
1. Chair explains items to be discussed. • Introduce the topic in the most neutral way possible. • State the key points, define the dilemma, and clarify why this issue is important or why the board needs to address it.	1. Chair reminds the board what collaboration means to the organization: opportunities, losses, challenges.
2. State what needs to be accomplished. • Define the objectives and make sure that everybody is in agreement. • Frame the issue carefully to eliminate contention.	2. Chair reminds everyone that this is a preliminary discussion. The board does not have to make a final decision immediately.
3. Lead a discussion. • Encourage open discussion (concerns, missing issues, new ideas, controversies).	3. Chair invites everyone to state pros and cons of collaboration. • Local competition for the same clients • Cutting costs and expanding scope After discussion, the board leans toward collaboration. • If we do not move ahead, someone else will take our place. • We will be able to serve more young people by diversifying our programs.
4. Search for solutions and options for action. • Ask for feedback. • Ask for alternative solutions. • Look for mission connection. • Assess need for resources	4. Set up a task force to study existing proposals more closely; include the chief executive. Report at next meeting.

Another approach during deliberation is to rely on so-called systems thinking. The chair will identify the issue or problem under discussion. He or she proceeds by posing guiding questions that lead to a better understanding of the ripple effects of various options. Ultimately, it is easier to consider possible actions because the board members have a deeper appreciation of the full implications of the decision. This process requires the chair to be able to guide the discussion fairly by asking relevant questions.

Using small groups during the deliberation process is a great way of directly involving every board member. Small groups can more efficiently discuss various aspects of the same issue. The board can divide bigger issues into smaller increments, task the smaller groups with discussing the issue, and then report back to the board with their ideas. Small groups also allow for more focused reflection and provide more opportunities for less vocal members to make a contribution to the deliberation process.

Without an open and careful study of the details that make up a case, one can end up relying on wishful thinking rather than on facts and experience. A diversified board that brings a variety of opinions and expertise to the discussion has a better chance of guiding the organization in the right direction — a responsibility that weighs heavily on every board member's shoulders.

REACHING A UNANIMOUS DECISION

Most nonprofit bylaws indicate that the majority voice of a quorum carries the vote, while issues of special importance may need a supermajority. Unanimity can be a blessing if it is achieved through a thoughtful process when the issue has been analyzed from all sides. But it also comes with caveats and may indicate internal problems. With everyone always in full agreement, it may mean that the board is simply rubberstamping recommendations. It could imply that only the noncontroversial aspects of an issue were aired, and that no one took the time to do complete research, or that the board is composed of similarly thinking individuals who prefer a one-sided story. A habitually unanimous board may not realize that disagreement actually stimulates thinking and elevates discussion to a different level. If unanimity seems to be a pattern, it may be time for the board to investigate some of the reasons behind it. Under all circumstances, it is important to remind everyone that board decisions are communicated without dissent to the outside world.

Silent Unity

Quaker meetings might provide some inspiration for contentious gatherings. Among the principles, you find

- participants share their views; they don't criticize each other's stands
- no names are mentioned; you only focus on messages and address the clerk (chair)
- you have only one turn to speak until everyone has had a chance to express his or her point of view
- objective is to seek substantial unity (not necessarily unanimity)
- you "stand aside" if you do not fully agree or feel comfortable with the issue under discussion but do not want to block the process
- moments of silence during the meeting promote reflection and help avoid quick gut reactions

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SEEKING CONSENSUS

Consensus is another approach for making decisions. Seeking consensus — a general agreement to a proposed idea — is not always well understood because it is a complicated process. It demands a skillful facilitator and requires that the board fully understand the consensus-building process. Consensus building may be the most democratic way of coming to a final accord, although it may not be an easy or quick way to run a board meeting.

The principle of consensus building assumes that all points of view are valid and incorporate minority views into the discussion. The goal is to find a solution that everyone can accept and is willing to implement. Consensus eliminates the win-or-lose approach of a majority vote because it does not count votes. It takes a qualitative approach, not forcing a compromise but seeking to eliminate objections. It also encourages alternative thinking and fosters innovative solutions.

During the process, the facilitator presents a proposal and invites all participants to express their concerns or reservations. This input may result in a modification of the proposal, gradually allowing it to become more and more specific. Modification moves from major points to fine-tuning the final agreement. Prioritizing points is a useful way of eliminating unacceptable solutions. Synthesizing opinions brings clarification to concepts. When the facilitator feels that a mutual agreement has been reached, this is articulated and the chair asks if participants agree that the articulated statement accurately reflects the consensus. If there is no objection, it is recorded as the group's decision.

The consensus method may not be practical for all board decisions because of its cumbersome and time-consuming aspect, but it could be used for highly sensitive, risky, or ethical issues that the board must tackle, such as determining a desired profile for the board or deciding on a stand the board wants to take on a controversial environmental issue. A consensus may not always be reached. A small fraction of the board can block action that might be desired by the majority of members. A deadlock may happen if a board member is unwilling or unable to accept the principle of the method itself. In these situations, the objection must be worked out before the proposal can go forward. Ultimately, a totally new approach to the question at hand may be necessary and the full process must start all over again.

Pitfalls of Consensus Process

- Unaccustomed participants without proper training can keep others as prisoners of the process.
- Without a skilled facilitator, the process may have difficulties reaching conclusion.
- Someone's lack of patience can ruin the atmosphere and others' spirits.
- Final decisions may seem diluted to some.
- Board meetings may last longer that anticipated.

POINTS TO REMEMBER

- Too much order or too much casualness may compromise your meeting efficiency. Find the right balance for your culture to support the board's role and functions.
- Reaching a decision is one of the primary goals in most meetings. Test different decision-making models to find the one that helps bring the best results during your board meetings.
- Whatever your choice of process is, embrace thorough deliberation before making a decision.
- Assess ahead of time for which issues a majority rule is not adequate and require even tighter agreement among all members.
- Set the right tone: Start and end on time.

Excerpted from Meeting, and Exceeding Expectations: A Guide to Successful Nonprofit Board Meetings, Second Edition, *by Outi Flynn. BoardSource 2009.*

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TOOL 16

Board members are decision makers. Making good decisions means coming prepared to board meetings, sharing ideas and perspectives, listening to fellow members with respect, and finally reaching a collective conclusion that furthers the common purpose and objective of the organization. No board decision gets implemented before a vote has taken place. This all sounds simple and straightforward. If it were, we would have wonderful and productive boards in every nonprofit. To turn all boards into effective decision makers, three factors need to be present: flexible structure, a facilitating process, and constructive interaction between members.

FLEXIBLE STRUCTURE

Structure provides security, a proper framework, and control. When a board meeting runs its course in an expected manner with an accommodating infrastructure to support it, board members know what awaits them when they come to a meeting. For some boards this predictability fosters status quo; for others it stifles creativity. Here are some structural pillars that can make decision making more dynamic.

- Know the legal constraints that control board actions. Be familiar with your state laws. Craft bylaws that provide guidance but do not unnecessarily constrain you.
- Make sure that your committees and task forces deliver. Expect work groups to dissect major issues and to prepare constructive recommendations for the full board. Don't allow the board to duplicate work that has already been done.
- Look at your board size. Realize that too large a group makes it difficult to involve all members in discussion; too small a group may miss the necessary insights needed for a wise decision.
- Agree on meeting schedules, locations, and the number of necessary meetings. Compromise and accommodate on the logistics to make it easy for members to come to meetings. Take advantage of technology to facilitate communication between meetings.

FACILITATING PROCESS

Processes clarify the steps for making decisions. They define the levels of authority, methods of communication and sharing information, rules that guide the course of action, and the needed results for a decision to be valid. The following points help boards adopt processes that facilitate interaction and encourage active communication.

- Elect a skilled chair, who is able to facilitate deliberation and decision making. Expect the chair to be fair, inspiring enough to bring members to meetings, able to keep civility in the boardroom by controlling unruly members, and conciliatory to encourage wise decisions.
- Have an agenda that reflects the purpose of the meeting. Follow the agenda — but understand when flexibility means productivity. Create an agenda that focuses on strategic issues and not on operational minutiae. Make decisions on issues that belong to the board.

- Ensure that the chief executive provides adequate and accurate information for the board. Create a communications system that is practical for all board members.
- Stress the importance of the deliberation process. Make sure that enough time is spent on discussion and debate without cumbersome parliamentary rules.
- Experiment with different approaches to reach a decision. Determine whether the consensus method works for your board. Choose a method that reflects your group dynamics.
- Avoid rubber stamping. Don't neglect the duty of care or lose independence. Challenge weak members to justify their service on the board. Expect everybody to participate.
- Determine which issues warrant a greater than majority vote. Include in your bylaws a list of decisions that require either two-thirds or three-fourths vote. Note that unanimous votes probably are not the best option for most boards.

CONSTRUCTIVE INTERACTION

No structure or process is so perfect and smooth that it can triumph without proper human elements in place. A board is made of individuals who have no power to act alone, only as a group. Boards are teams. A basic feature of a functioning team counts on members being able to get along, managing to disagree in a civil manner, learning to step back when necessary, leaping forward when warranted, and addressing conflict in a constructive manner.

Having the right composition for a board is the key to effective interaction. A good decision comes from continuous exchange of ideas — often differing ideas. People with varying experiences and styles contribute positively to a group action. Diversity does not necessarily make interaction easier, but it is essential for a fair and unbiased diagnosis of a situation. By accepting a common purpose and personal accountability, a board can overcome individual differences. In fact, it can embrace the differences as an enrichment in reaching its objective.

Being part of a team is not unproblematic. It is not easy for a strong-minded person to give in or to compromise. It takes courage for a quiet person to be forceful when he strongly disagrees with the direction a debate is taking. By understanding individual operating modes, it is possible to create an accommodating internal support system that is built on trust and mutual respect. Without it, it is impossible to keep personal things personal and focus on business. Behavior can be criticized; attacks on personal attributes do not belong in the boardroom.

Despite good intentions, special cliques can form on a board. They tend to have a divisive impact on interaction and polarize opinions. Reaching consensus under those circumstances is difficult without strong leadership that can direct the debate and focus on the core issue: What is our objective and whom are we serving? Private agendas divert the board's center of attention. They can make it difficult to challenge each other's opinions without turning it into a negative exercise.

Incorporating social activity in a board meeting is a way to introduce board members to each other from a new angle. It is clear that if you get to know your partner better as an individual —and not just as a peer sitting around the same table — you are in an advantaged position to understand his point of view, values that guide him, and his approach to decision making. A conciliatory board member is always more effective than an adversary in facilitating the search for the common ground.

Excerpted from the BoardSource Topic Paper "Helping Boards Make Good Decisions."

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PART 3

GETTING BETTER AND BETTER

bet·ter *adj.*
indicating that a thing or an action is superior in some way to something else or is an improvement upon a situation

TOOL 17

Few board members can claim to have been born with the natural aptitudes needed for their position. Some can state with confidence that they've gained most of their knowledge by educating themselves, serving on other boards, and successfully applying their specific expertise to their governance duties. But no potential board member can declare ahead of time that he or she will be the perfect member for a particular board before having an opportunity to interact with peers and see the full board in action.

Every board has a culture that is defined by its customs, traditions, and practices. Every new board member needs an introduction to that culture — not just the ability to meet the general expectations placed on individual board members.

WHY BOARD ORIENTATION?

Every board member candidate has a right — and should demand the right — to learn what he or she is getting into ahead of time. Orientation can be many things for the board member: an initiation to board service; an introduction to the organization, its mission, and programs; clarification of future time and financial demands; an opportunity to get to know other team members; and a chance to form an educated foundation for the coming years on the board. For the *board*, orientation is a chance to speed up the learning curve of new members and get them quickly engaged in the board's activities. It ensures that every member is functioning within the same framework and with same instructions. Orientation benefits the board as a team by providing an official launch for new partnerships and relationships.

APPROPRIATE SETTINGS

Some boards organize a full retreat — lasting several hours to more than an entire day — to cover all aspects of orientation. This approach may be too demanding for some boards whose members are spread nationwide and who already commit themselves to attending regular board meetings. Additionally, for any board, it may be information overload in a too-short time span.

Dissecting the curriculum and goals of the orientation beforehand can properly facilitate the delivery of information, use everyone's time effectively, and share the duties more evenly. As a result of cultivation, for instance, a candidate should already walk away with a firm understanding of the organizational mission and how he or she can help advance that objective. New board members should be expected to read the board handbook during their own private time, not in the meeting room. The core orientation meeting, then, can become a setting where old and new members get to know each other, key issues are covered in detail, and question-and-answer sessions clarify additional areas of concern or importance. The first board meeting later will officially indoctrinate any newcomers to regular business.

PARTICIPANTS

Naturally, the primary recipient of orientation education is the new board member. All new members should participate. Every *current board member* has a role in orientation as well, whether to function as a mentor, represent the diversity of the team to the newcomer, make a presentation, or just get to know the new member(s). If the board organizes separate sessions for different aspects of orientation, it may not be necessary for every single board member to attend every session. No matter how engaging the program, going over the same history and documents on a regular basis can become an unwise use of members' time.

The *chief executive* plays a key role in the success of the orientation. The chief executive is the person most knowledgeable about the organization and thus the perfect person to share this information with new board members. The chief executive usually guides the staff to organize the logistics of the meetings

The board may decide to engage a *facilitator* to conduct the sessions — both so that all participants may contribute freely without other obligations, and to bring in an unbiased and professional approach to presenting information. Outside guest experts may be invited to contribute additional perspectives to specific discussions.

EFFECTIVE TOOLS

To turn orientations into effective training sessions, follow these guidelines:

- Bring the right **people** together. Expect everybody to attend assigned sessions. Help everyone get to know each other.
- Create a conducive **atmosphere.** Bring informality to your 'classroom.'
- Choose different **modes** to get your message across and to address certain issues (facilitated discussions, small group exercises, case studies, etc.).
- Manage **expectations.** Be clear as to why everyone is in the room and what they are supposed to get out of it.
- Choose the right **focus**. Concentrate less on the organizational details and more on how to be a good board member.
- Discuss **team work**. Boards are teams, and only as a body can the board make decisions.
- Incorporate the **social side** of board work already in the orientation process. Board members are often busy professionals and want to find an enjoyable professional setting for the retreat. Collegiality facilitates effective communication.
- Give **homework**. Orientation is just a beginning; show board members how they can build on what they just learned.

Excerpted from the BoardSource Topic Paper "Board Orientation."

TOOL 18

IDENTIFY STRENGTHS:

1. How does my nonverbal behavior show that I am listening?
2. How do my verbal responses show that I am listening?
3. How do I put the speaker at ease?
4. How do I show interest in and respect for the speaker?
5. What are my strengths as a listener?

IDENTIFY LISTENING HABITS:

1. Do I pretend to listen, but my nonverbal communication gives me away?
2. Do I pretend to listen, but I am bored, distracted, or daydreaming?
3. Do I hear the facts but miss the real meaning of the message?
4. Am I preoccupied with my own agenda, which prevents me from listening?
5. Do I interrupt others?
6. Do I have selective listening?
7. Do I make assumptions about the message without listening fully to what is actually being said?
8. Do I respond defensively?
9. Am I reactive or impatient?
10. Do I multitask while I am listening?

Excerpted from The Board Chair Handbook, Second Edition, *by Mindy R. Wertheimer. BoardSource, 2007.*

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TOOL 19

Conflict can be a vehicle for social change or a destructive force that leaves individuals and groups unable to progress. Below are some simple steps that boards can take to prevent or resolve conflicts. Because every conflict is unique, these are simply starting points.

1. Prevent conflict before it disrupts your board.
2. Resolve conflicts quickly once they're evident.
3. Conduct a fair conflict resolution meeting.
    - As a board, lay ground rules for the meeting; determine speaker time limits; don't interrupt the speaker; ask clarifying questions; attack the problem, not the board member; etc.
    - Allow board members to ask questions to clarify the situation. Begin resolving the problem only after each board member has told his or her story.
    - Ask the board to outline the main issues at the heart of the conflict. Look for the root causes, not the superficial ones.
    - Choose key issues and brainstorm how to address them in ways acceptable to all parties.
    - Seek solutions that make all parties happy. Try being creative. Some boards have used such tools as drawing, role-playing, breaking into discussion groups, or envisioning the future of the organization to find alternative solutions.
    - When you find agreement, congratulate the board. Boards that resolve conflict together often become closer and are able to weather future conflicts.
    - If you are still unable to resolve the conflict, explore finding an outside mediator such as a past board chair or board member with good facilitation skills or a conflict resolution professional.

Because board members are often from different racial, professional, or religious backgrounds, they may have varied motivations and a range of experiences with conflict. Learn more about each other's communication and conflict styles. Ask board members to discuss conflict in terms of a metaphor. For example: Conflict is like a dance because each party is moving at the same time, but only if they move in the same direction and at the same speed will they make something beautiful. Building trust and social relationships on your board also helps members deal with conflicts. Don't avoid a conflict. The board chair should immediately address conflicts by talking to the parties individually. If this is not successful, find another board member or individual that all parties trust to talk to them as a group apart from a full board meeting.

If that fails, the chair should convene a special meeting of the board to address the conflict.

Excerpted from "How to Resolve Conflict on the Board" by BoardSource. Board Member®*, July/August, 2001.*

TOOL 20

If you thought field trips were stimulating as a child, try taking one as an adult board member.

The American Dental Education Association (ADEA) strives to be an innovative organization — something that is hard when most, if not all, of our staff and board discussions are narrowly defined by the focus of our work. We have found, however, that when we venture outside our "boxes" and learn about something new and seemingly unrelated to the organization, we learn lessons that enable us to think about our own work differently. This is why ADEA has embedded off-site leadership learning opportunities into its senior staff retreats for the past three years and why we did the same with our annual board retreat this past summer. These retreats have transformed the way the staff and board work and set our priorities.

Our staff retreats to Gettysburg, Monticello, and the United Nations have corresponded to a current issue or focus of the association and have had an incredible impact on the organization. For example, at Gettysburg we learned about watching our flanks, taking the high ground, and the value of strategic retreat. We also learned that a major cause of Robert E. Lee's loss was information not getting through to him. Various majors, captains, and even privates had important pieces of data, but no one had the full picture. As the members of our senior team thought about this, we realized that the same was true at ADEA. Different departments had incredible knowledge, but the organization wasn't getting the full benefit of it. Out of that retreat, our Division of Knowledge Management was created — and it has completely changed the way we share information within the organization.

Impressed by the outcomes of the staff retreats, the ADEA board expressed interest in taking a "field trip" of its own. So midway through its 2007 two-day retreat, the board — accompanied by the senior staff and our retreat facilitator, Joshua Mintz — recessed to visit Mount Vernon, George Washington's beloved estate. While some people might not see the connection between George Washington and the work of ADEA, there are few better examples of leadership and community building — two main areas of focus for the association and the board — than the father of our country.

The half-day trip began with a presentation by Peter R. Henriques, the author of *Realistic Visionary: A Portrait of George Washington,* which everyone had read. Peter's role was to get us thinking, which he did by explaining the environment in which the first president lived and worked, and most important, highlighting many examples of Washington's leadership.

Then, after the estate closed to the public, the board took a private tour of the mansion and grounds with an extremely knowledgeable guide. The entire estate was lit by candlelight — it was a once-in-a-lifetime experience that left all board members feeling they were part of something special, and was, quite frankly, a lot of fun. One of the trip's objectives was to give board members an opportunity to get to know each other and the senior team better — something that is easier to do when everyone is having fun.

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The next morning, back in Washington, the board discussed the lessons learned from the trip and their application to ADEA. It was an amazing discussion. One member offered the Jay Treaty (the 1794 neutrality treaty between the United States and Great Britain) as a metaphor for association relations today! The board was particularly impressed by Washington's singular vision and questioned whether the association was as clear about its purpose as the first president was. And our discussion about Washington's insistence on balancing states' rights and a strong central government could not have been more important for an association trying to balance the competing demands of seven councils, 37 sections, and 16,000 individual members.

Everyone agreed the outing and the discussion that followed were valuable learning experiences. In fact, for the first time in my career, I received thank-you notes from board members indicating how much they enjoyed the retreat. As ADEA President James Q. Swift wrote, "There is more to volunteer leadership than sitting in a boardroom. This opportunity to learn together and reframe our thinking will help us carry out our responsibilities to the organization in a much more enlightened way."

As a result of the retreat, the board has begun to address some critical issues about the governance of the association, particularly in relation to board members' dual roles as stewards for the entire association and representatives of their individual councils. Equally important, I have seen a heightened spirit of collegiality among board members that is enabling us to get through these tough discussions together.

We now have moved on to planning next summer's event — this time with a focus on Julius Caesar. Hail Caesar!

Want to plan an invigorating retreat?

Joshua Mintz, retreat facilitator and a partner with Cavanaugh, Hagan, Pierson & Mintz, in Washington, D.C., offers the following advice:

1. Determine your objectives for the experience.
2. Identify your theme — relate it to a current issue or focus of the organization.

   When the ADEA senior staff visited the United Nations, the association was in the midst of exploring the impact of globalization on dental education.
3. Determine your destination. Being somewhere other than in the boardroom is essential. Start local.
4. Locate a speaker with expertise in the subject. There are numerous resources for speakers, such as universities and museums.
5. Create an agenda that includes a "unique opportunity," such as a private, behind-the-scenes tour, that provides your board members with a special experience.
6. Most important, follow up with a discussion that extracts the lessons learned and applies them to the organization. Don't shortchange time.

And remember, this is real work! Some board members may think that they are not working if they are not looking at a binder of board reports. Just as meeting with the auditor is real work and a characteristic of a good steward, so too is learning and creating a culture of innovation.

Excerpted from "Field Work (and Play)" by Richard Valachovic. Board Member®, *January/February, 2008.*

TOOL 21

A large part of a board's role is monitoring the organization's overall performance. Is the organization carrying out its mission effectively? Is it fulfilling its legal requirements? Are financial policies being followed? But the full board should also assess its own performance in guiding the organization. The full board, acting as a unified body, has a responsibility for ethical, moral, and fiduciary oversight that is greater than the individual board members' responsibilities. Even when board members have engaged in a self-evaluation process as individuals, they still need to look at the board's functioning as a whole. Following are some reasons why:

- A nonprofit organization, in the long run, is no better than its board. It is in everyone's interest to help the board function as effectively as it possibly can. Through these efforts, the organization will also improve.
- Individual board members become frustrated when they perceive that the overall board is dysfunctional in key areas. As a result, attendance at or participation in board meetings drops.
- Staff morale suffers when the board doesn't seem cohesive, efficient, or productive. Staff members' trust and respect for the board wanes, and few chief executives on their own can fill that leadership vacuum.
- When a board can address its own needs honestly, it sends the right message to staff members, that making mistakes and learning from them is natural and expected.
- An effective board addresses issues, keeps the mission clear, uses funds wisely, and makes board meetings enjoyable. New member recruitment becomes easy because others want to join a winning team.

EVALUATION TOOLS

A formal assessment of the full board's functions and ability to work well as a group should be conducted every three or four years. The process of asking, "How are we doing?" might be tied to the strategic planning process or spurred by the upcoming retirement of a long-standing chair or the departure of the chief executive. It is best to schedule the evaluation for a retreat or a special board meeting, rather than undertake it when the organization is in crisis or experiencing personnel issues within the board.

You can also undertake informal evaluations to help the board stay focused on self-improvement, using one or more of the techniques outlined as follows.

Regular board discussions. Put on each board meeting agenda a ten- to fifteen-minute item called "Ideas for Improving Our Board." The board chair should be a champion of board improvement. The

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morale and loyalty of board members are stronger when the board is given the freedom to make suggestions. However, frank discussion also raises expectations that things will change. When a consensus is evident, the chair must be prepared to take action or refer ideas to a committee or task force for further consideration.

Board trainings. These can provide the stimulus for taking an in-depth look at board members' roles, individually or collectively. A session or two of board training—using a book, an outline, a veteran board member, or a consultant—can help set standards against which the board can measure its own performance.

Board surveys. Typically, a board self-evaluation survey is a confidential questionnaire that asks board members to rate how well the board does in various areas. The questions, usually rated on a numerical scale, might include the following:

- How effective is the board's decision-making process?
- How effective is the board's strategic planning process?
- How productive are the board committees?
- What is the quality of communication among board members, between board and staff, and from other stakeholders to board members?

You can also invite written comments by including a lead-in phrase such as, "If I could change three things about how this board operates, they would be . . ." (You don't necessarily need to develop your own evaluation tool; organizations such as BoardSource and various associations have developed assessment instruments specifically for nonprofit boards.)

The board receives a summary of the responses—which should be tabulated by a nonboard member or consultant—but respondents' names are not mentioned. You'll end up with a candid summary of what the board does well and where it could stand improvement. For instance, the findings may point to board members' desire to make better use of their time, focus more on meaningful issues rather than administrative tasks, interact more with one another, or simply enjoy their positions more.

External audits. On occasion, your board may wish to engage an expert on governance to facilitate a more thorough evaluation of its governance practices. Typically, an external audit includes reviewing the articles of incorporation and bylaws; observing board and committee meetings; and interviewing officers, other board members, former board members, and the chief executive. The external consultant may also create and administer a mail or in-meeting survey and then facilitate a board discussion about key issues that emerged from the survey.

By contracting with an expert who knows how other boards function, a board improves its chances of focusing on positive changes and increases its own level of interest and participation. A consultant is more objective than a member of the board and can offer alternatives for addressing problems. In addition, employing an external consultant is usually less threatening than having your own leaders conduct a peer evaluation.

The board as a whole should discuss the findings of an evaluation and what can be done to improve its effectiveness or productivity. For instance, the results of a self-evaluation may prompt the board to consider making some governance changes, such as reducing the number of standing committees, or to modify its communication practices with board members. It is impossible to complete an evaluation and deal constructively with all options for change in a single meeting. Allow enough time to do a thorough job—approximately six to nine months for the entire process.

Aside from a formal evaluation every three or four years, ongoing ways that board members can evaluate the organization's performance include

- Developing a board calendar that includes the chief executive's evaluation, a board self-assessment, and a review of mission, vision, and objectives.
- Scheduling a board retreat every year or two to reflect on the mission and overall board functioning and to engage in the strategic planning process.
- Approving performance objectives tied to each part of the strategic plan, including targeted results and a timetable for achieving them.
- Reviewing financial results and other measurable outcomes with an eye toward ending those that do not contribute to a healthy bottom line.
- Understanding that performance assessment, in itself, is not productive unless accompanied by concerted efforts to react to the results and implement changes.

SUGGESTED ACTION STEPS

1. Board chair, take five minutes during a meeting to ask each board member to rank, on a scale of 1 to 10, how effective he or she thinks the governance process is.
2. Chief executive, budget for training publications or tapes, consultant fees and expenses, retreat expenses, supplies and materials, and other costs associated with evaluation.
3. Board members, commit to one three-hour training session with a trainer who specializes in working with nonprofits. Prepare a follow-up agenda for board development over the next year or two.
4. Board members, develop a schedule for board evaluation.

Excerpted from The Nonprofit Board Answer Book: A Practical Guide for Board Members and Chief Executives, Second Edition, *by BoardSource. Jossey-Bass, 2007.*

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TOOL 22

Recognize your strengths. Discover your weaknesses. And use the findings from a board self-assessment to strengthen your board's ability to lead.

Once a year, HealthPoint's board members take time from their busy schedules to have a checkup. But instead of strapping on blood pressure cuffs, we sit at our computers and complete an online survey to assess the state of our board's health. Our vital signs relate to such things as mission, strategy, and financial oversight.

While most boards can't imagine assessing their performance annually, the HealthPoint board can't imagine doing it less frequently. It wasn't always so. Until five years ago, the board had never assessed its own performance, focusing instead on the performance of the chief executive. Then, the board chair had an epiphany: Why was the chief executive the only one being put under the spotlight? Why wasn't the board being held accountable for the role it played within the organization? And if the board evaluated itself at the same time it evaluated the chief executive, wouldn't it have a more complete picture of how the organization functioned as a whole and, thus, be better able to serve the organization in the coming year?

Today, the HealthPoint board has institutionalized the practice of assessing its performance in conjunction with assessing the chief executive's performance. We believe that one assessment informs the other, and when the results are reviewed back to back, they enable the board to identify and prioritize those issues most in need of attention.

In recent years, the HealthPoint board has addressed three performance issues worthy of mention: factions within our membership, seeing the difference between governance and management, and fundraising. The results of our annual board self-assessments have served as springboards for board improvement in all of these areas.

FELLING FACTIONS

While factions are often more likely to develop in large groups, they actually developed within the HealthPoint board when it was intentionally decreasing its size. In our efforts to recruit talented individuals who had the potential to become board leaders, we unwittingly recruited a few individuals with very strong personalities who dominated discussions.

Everyone on the board could see that our less outspoken members were intimidated by their new, more aggressive colleagues. The next self-assessment told us that the new members were alienating most of the board, and we realized that the board's ability to govern responsibly was at risk.

At its next annual retreat, the board addressed this issue by deciding that its meetings needed a more formal structure. We now have gone to consent agendas, follow Robert's Rules of Order when voting, and manage our meetings with a firmer hand. I have found, for example, that simply going around the table and asking each member to voice his or her opinion during a discussion is very effective in subduing an overly vocal member, increasing participation, and moving a meeting along.

GOVERNING MORE, MANAGING LESS

The HealthPoint board also has struggled with seeing the difference between governance and management. This is due, in large part, to the rapid growth of the organization in recent years and to the board's composition. Fifty-one percent of our members are required by federal law to be consumers of HealthPoint services.

At one time, HealthPoint's board members were involved in the day-to-day operation of the organization. They helped create human resources policies and went through the organization's financials with a fine-tooth comb. As the organization has grown, board members have found it difficult to pull back from the day-to-day operation of the organization. They have called staff with questions about financial reports, directed the work of staff when sitting on a committee with staff, and asked the board to take action when they are not happy with the care received at a clinic.

The self-assessment, which asks the board to reflect on how it communicates with staff and the chief executive and on whether it is focusing on strategic issues rather than operational ones, has unveiled our shortcomings in these areas. As a result, the board has worked to establish a common understanding of its roles and responsibilities in relationship to staff, decided where the board should direct its operational questions and grievances, and introduced a board meeting evaluation form. Now, we ask ourselves at the conclusion of each meeting if we were too operational or strategic enough.

FACING FUNDRAISING FEARS

The board self-assessment also has helped the HealthPoint board think differently about philanthropy and fundraising. While our members realize that we must play a bigger role in securing donations for the organization, we have been reluctant to embrace the responsibility. Now that the economic crisis has increased the demand for HealthPoint's services while threatening our state funding, the need for our board to do fundraising is glaringly apparent.

The self-assessment tool has allowed the board to hone in on what specifically is holding us back — fear! Now, with a consultant's help, the board is educating itself about fundraising and learning that the "hard ask" is just one of many ways a member can do his or her part. And while we're not there yet, we're becoming less afraid.

Our annual self-assessments are a touch point for us — that moment of the year when we take stock of where we've been in the past year and reinvest our energies in moving the board and the organization forward in the coming year. We can't imagine governing effectively without assessing our performance annually.

Excerpted from "Board, Heal Thyself," by Victoria Goetz. Board Member®, *May/June, 2009.*

TOOL 23

Spurred by poor self-assessment results to improve its governance practices, the Lambda Legal board tackled the challenge by making dramatic changes in its structure and operations. The result? A high-functioning board.

I first became aware of Lambda Legal while attending law school in 1992. I'm not sure whether it was the Hawaii marriage case, the assault on the military's exclusion of gay and lesbian service members, or the challenge to the Boy Scouts' barring of gay people that registered first, but I came to see Lambda Legal as the key organization in securing my civil rights as a young gay man.

So in spring 1998, when I was invited to join the national board, I jumped at the chance. What an exciting opportunity, I thought, to work with and support the lawyers and staff who were making history.

My first board meeting was a cold splash of reality, however. Eight of the 36 board seats were vacant, and only 19 members were in attendance. Those who did attend were in a feisty mood. Three issues were "decided" by 10-9 votes after acrimonious debates. (Over the next two years, all three of these decisions would be reversed.) Two of the board's African-American members resigned in protest over something I didn't understand.

During my first two-year term on the board, many members said that this was how the board had always operated, and that with so many lawyers who felt passionate about the work of the organization, it always would be this way. Debates degenerated into personal attacks; confidential information from the executive sessions was quickly shared with staff; and a small number of the members did a large share of the work.

There was a budding fear, however, that the board was becoming an obstacle to achieving the organization's mission — a fear that spurred us to make some changes. We recruited more members to the board development committee, which was responsible for the orientation and training of board members; assigned new leadership to the nominations committee; formed a diversity task force to address the board's race and gender balance; and created an officer selection and nominations committee to address what many saw as a botched process.

Then, in February 2001, a new pair of co-chairs took charge and, at the urging of a volunteer nonprofit consultant, had the board do a BoardSource self-assessment.

Not surprisingly, it revealed that there was a lot of room for improvement. The board gave itself less than satisfactory marks in eight of 12 areas. Its lowest score was in Maintain Board Structure and Operations. The report's summary noted, "It is clear that the board has not figured out how to work as a team even though this is what many of its members want." Individual board member comments were more direct:

- "The nomination process is not functioning. Diversity goals are either ignored when convenient or imposed as a roadblock to nomination."
- "We have no idea whether problems exist or not. We've basically been meeting to rubber-stamp management's programs."
- "I would like to see a comprehensive governance review. I'm not sure how we can be in the civil rights business and allergic to real change, but I have seen it again and again."
- "There is simply too much focus on negativity and blame, which is astounding given how effective and impressive the work of the organization is."

The co-chairs established a governance task force to examine and formulate recommendations concerning committee structure and assignments and the recruitment, nominations, and officer selection processes and to report back at the October 2001 meeting. I chaired that task force.

After a discussion of issues raised by the self-assessment, the task force decided to approach its work by dividing into two subcommittees. The first focused on nominations, recruitment, and officer selection. The second focused on committee structure and assignments. The task force met regularly throughout the summer, both as a whole and in its subcommittees; collected materials relevant to the areas of its assignment from various sources; and interviewed many current and former board members to gather ideas about how to improve board governance.

At the October 2001 meeting, the task force recommended that

- the board adopt a new board member evaluation policy requiring new members to sign a written expectations resolution against which they would be evaluated
- each board committee review its charter and propose any necessary revisions
- committee meeting minutes be circulated within a few days after each meeting by a committee chair or co-chair
- a special committee continue to oversee the process of officer nominations
- the task force continue to meet and formulate recommendations

The breakthrough moment came late in 2001 when the task force recommended that the board merge five separate committees and task forces (nominations, board development, diversity, officer selection, and board governance) into a single, highly empowered governance committee with no more than seven members, five of whom should represent Lambda Legal's five geographic regions. Our hypothesis was that in trying to place emphasis on various broken governance pieces by forming new committees and task forces, we had undermined the ability of the existing committees to resolve these problems. We needed a single group to oversee the whole range of governance challenges, with authority to tackle them.

At the February 2002 meeting, some members expressed concern about concentrating so much power in a small group. Others expressed doubt that a small new committee would be able to handle so many difficult problems at once.

But handle them we did. By dividing into subcommittees to tackle each task and working very hard, we revised the expectations resolution, which became the basis for recruiting, orienting, and evaluating the performance of members; created transparency in the nominations process; provided mid-term feedback to members who were not meeting expectations and, in some cases, counseled them off the board; and announced proposed slates of officers and committee chairs six months in advance of the start of their terms. And by reforming the committee structure, we made it possible for most members to serve on only one committee — and therefore to put real energy into that committee.

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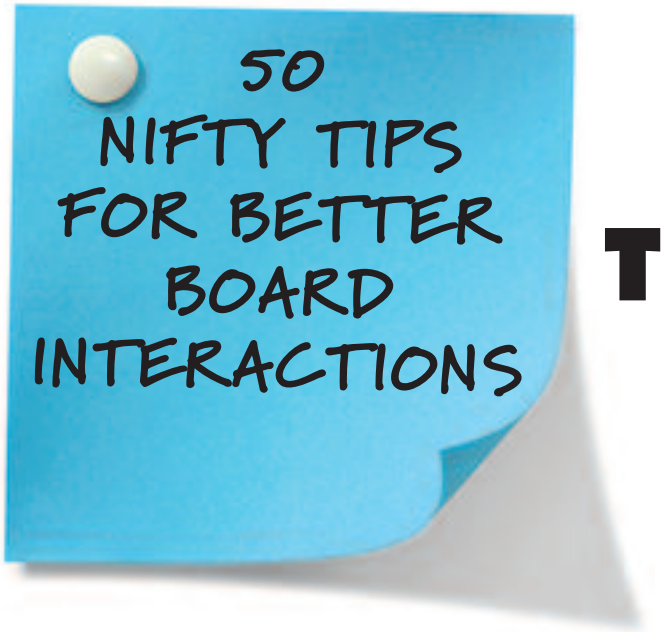
Within a year, as underperforming members resigned or rotated off and engaged members saw the changes take hold, board morale began to improve dramatically. Problems that had seemed intractable were solved or melted away.

When the board took the BoardSource self-assessment tool again in October 2005, there was not a single area rated below satisfactory and the ratings jumped for Maintain Board Structure and Operations, Organize Board Committees and Task Forces, and Carefully Select and Orient New Board Members and Board Leaders. Some of the comments that board members made were

- "Very substantial improvement over several years."
- "This is a high-functioning board, and I'm honored to be a part of it."
- "This is a great board to be on, and I think it performs very well. The people are smart, interesting, kind, and committed to Lambda's mission. I'm honored to be among them."

It is hard to imagine better testimonial to the benefits of establishing good governance processes.

Excerpted from "Board Scores" by Jamie Pedersen. Board Member®, *January/February, 2008.*



TOOL 24

Missions and Goals

1. Agree on the organization's mission.
2. Clearly define desired outcomes.
3. Ensure that everybody is talking about the same thing at the same time.
4. Try interest-based bargaining.

Advance Preparation

5. Recruit effectively.
6. Require advance reading.
7. Draft recommendations.
8. Number the pages of board materials.

Agenda and Scheduling

9. Choose a meeting time convenient for everyone.
10. Place time limits on the agenda.
11. Drop the standard format.
12. Consider consent agendas.
13. Schedule breaks.
14. Stick to the schedule.
15. Table major issues that don't have consensus.
16. Block out dates.

Decision Making

17. Focus on decision making.
18. Vary decision making.

Individual Attention and Ownership

19. Encourage self-reflection.
20. Involve all of the board members.
21. Encourage relationship building.
22. Keep meat on the board table.
23. Meet board members' needs.
24. Stay away from personal issues.
25. Remember confidentiality rules.
26. Schedule interactive learning.
27. Ensure that all members have a say.
28. Show appreciation.

Leadership

29. Make sure the facilitator remains neutral.
30. Get help when you need it.
31. Elect an unofficial sergeant at arms.

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Environment and Atmosphere

32. Aim for balance.
33. Find a nice, quiet place.
34. Hold meetings in a relevant site.
35. Make sure the room is ready.
36. Specify the room set-up.
37. Watch where you sit.
38. Make board members comfortable.
39. Have fun.
40. Try face-to-face meetings.

Logistics

41. Establish ground rules.
42. Keep the finances understandable.
43. Use voting cards.
44. Be considerate of non-English-speaking board members.

Follow-Through

45. Review the follow-up action items.
46. Critique the meeting.
47. Follow up with no-shows.
48. Study board meetings.

Outside the Boardroom

49. Meet in executive session several times a year without the chief executive.
50. Schedule a board retreat.

RECOMMENDED READING

rec·om·mend(ed) *vt*
to suggest something as worthy of being
accepted, used, or done

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The Board Building Cycle: Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members, Second Edition, by Berit M. Lakey. BoardSource, 2007.

The Board Chair Handbook, Second Edition, by Mindy R. Wertheimer. BoardSource, 2007.

Culture of Inquiry: Healthy Debate in the Boardroom by Nancy R. Axelrod. BoardSource, 2007.

Governance as Leadership: Reframing the Work of Nonprofit Boards by Richard P. Chait, William P. Ryan, and Barbara Taylor. John Wiley & Sons and BoardSource, 2005.

Meeting, and Exceeding Expectations: A Guide to Successful Nonprofit Board Meetings, Second Edition, by Outi Flynn. BoardSource 2009.

The Nonprofit Board Answer Book: A Practical Guide for Board Members and Chief Executives, Second Edition, by BoardSource. Jossey-Bass, 2007.

Structures and Practices of Nonprofit Boards, Second Edition, by Charles F. Dambach, Melissa Davis, and Robert I. Gale. BoardSource, 2009.

Taming the Troublesome Board Member by Katha Kissman. BoardSource, 2006.

BoardSource is dedicated to advancing the public good by building exceptional nonprofit boards and inspiring board service.

BoardSource was established in 1988 by the Association of Governing Boards of Universities and Colleges (AGB) and Independent Sector (IS). Prior to this, in the early 1980s, the two organizations had conducted a survey and found that although 30 percent of respondents believed they were doing a good job of board education and training, the rest of the respondents reported little, if any, activity in strengthening governance. As a result, AGB and IS proposed the creation of a new organization whose mission would be to increase the effectiveness of nonprofit boards.

With a lead grant from the Kellogg Foundation and funding from five other donors, BoardSource opened its doors in 1988 as the National Center for Nonprofit Boards with a staff of three and an operating budget of $385,000. On January 1, 2002, BoardSource took on its new name and identity. These changes were the culmination of an extensive process of understanding how we were perceived, what our audiences wanted, and how we could best meet the needs of nonprofit organizations.

Today BoardSource is the premier voice of nonprofit governance. Its highly acclaimed products, programs, and services mobilize boards so that organizations fulfill their missions, achieve their goals, increase their impact, and extend their influence. BoardSource is a 501(c)(3) organization.

BoardSource provides

- resources to nonprofit leaders through workshops, training, and an extensive Web site (www.boardsource.org)
- governance consultants who work directly with nonprofit leaders to design specialized solutions to meet an organization's needs
- the world's largest, most comprehensive selection of material on nonprofit governance, including a large selection of books and CD-ROMs
- an annual conference that brings together approximately 900 governance experts, board members, and chief executives and senior staff from around the world

For more information, please visit our Web site at www.boardsource.org, e-mail us at mail@boardsource.org, or call us at 800-883-6262.

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The Governance Series

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2. *Legal Responsibilities of Nonprofit Boards, Second Edition*
3. *Financial Responsibilities of Nonprofit Boards, Second Edition*
4. *Fundraising Responsibilities of Nonprofit Boards, Second Edition*
5. *The Nonprofit Board's Role in Mission, Planning, and Evaluation, Second Edition*
6. *Structures and Practices of Nonprofit Boards, Second Edition*

Other Books

The Handbook of Nonprofit Governance
Chief Executive Transitions: How to Hire and Support a Nonprofit CEO
Nonprofit Executive Compensation: Planning, Performance, and Pay, Second Edition
Trouble at the Top: The Nonprofit Board's Guide to Managing an Imperfect Chief Executive
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The Nonprofit Dashboard: A Tool for Tracking Progress
Transforming Board Structure: Strategies for Committees and Task Forces
The Nonprofit Legal Landscape
Better Bylaws: Creating Effective Rules for Your Nonprofit Board, Second Edition
Managing Conflicts of Interest: A Primer for Nonprofit Boards, Second Edition
The Nonprofit Policy Sampler, Second Edition
The Source: Twelve Principles of Governance That Power Exceptional Boards
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DVDs

Meeting the Challenge: An Orientation to Nonprofit Board Service
Speaking of Money: A Guide to Fundraising for Nonprofit Board Members

Online Assessments

Board Self-Assessment
Assessment of the Chief Executive
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