Staffing and Managing a Board of Directors

2012 USD Governance Symposium

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CEO Mama's Kitchen

Seminar Outcomes

- To learn how thoroughly staffing a board leads to greater board effectiveness and engagement
- Practical tips on creating an agenda, managing the setting, staffing committees, sustaining a positive relationship with your chair and appropriately involving your staff
- To connect with other participants

Rationale

Like it or not, a key role for any executive is staffing the board. How well you do it plays a significant role in determining board effectiveness, efficiency and engagement.

Maxims

- You need to know what you want from your board and then devote the right amount of time to facilitate that outcome. And, the time spent is worthwhile
- The board leads, the executive manages
- Having a mutual, clear and positive relationship with the chair is key to facilitating the best from your board
- Paying attention to organization- such as place, setting, comfort, hosting and producing good materials – will color their perceptions of the organization as members spend much less time with you than the staff do
- Use your board's time wisely. Good organization is the starting point

Agenda

- Welcome, introductions, expectations
- Step One: Figure out what you want from your board
- Step Two: Define leadership and management roles in your organization
- Step Three: Create a positive and supportive relationship with your board chair
- Step Four: Pay attention to organizing
- Step Five: Watch and evaluate results
- Problem Solving
- Debrief and feedback

Figure out want you want from your board

- Governance focus and function in your organization
- What you want them to do
- Minimal to maximal involvement
- Limited time commitments or more
- What time and energy this will take for you and your staff
- What the investment is worth and how you will know (evaluation)

Define leadership and management roles in your organization

- What only your board can do
- What only you can do
- Where these intersect
- How to be clear who is playing what role
- How you will give and take feedback
- What to delegate to staff
- How to set and keep boundaries

Create a positive and supportive relationship with your board chair

- Clarify and agree upon your roles
  - The chair's job is to lead and manage the board
  - Your job is to keep the chair informed and prepared as well as to provide the organization and materials
- Discuss and agree upon goals and style
- Create a mutual game plan
- Meet regularly and evaluate your progress
- Make sure "staffing the board" is part of your performance review

The Chair's job is to lead the board

- The chair manages the meetings
- The chair makes sure that everyone is included and involved
- The chair manages the meeting agenda and time (appoint a time keeper)
- The chair appreciates board members contribution publically
- The chair holds board members accountable

Your job is staffing

- You prep the chair
- You draft the annual calendar and meeting agendas with suggested time frames for each item and talking points for chair
- You make sure the chair knows who is coming and who isn't and why
- You sequence the agenda to make sure to keep everyone's attention
- You set the stage: setting, name tags, materials, housekeeping, hosting
- You prep the staff

You both

- Have shared and mutual goals
- Create rules of engagement
- Share and organize information
- Finalize the agenda
- Brief each other on changes
- Evauate the meetings and your goals *at your regularly scheduled meetings*

You can assign staff to help

- Staff committees and report their progress to you
- Understand and promote the board's work, issues and accomplishments to other staff
- Keep boundaries and manage their relationships
- Prepare and distribute materials, create the setting, keep you informed on attendance and take minutes

Pay attention to organizing

- Meeting style
- Warm and welcoming setting
- Room and seating arrangements
- Office on best and cleanest behavior (no overflowing wastebaskets)
- Timely mailing of necessary materials
- Easy ways to engage board members
- Up to date attendance records
- Clear and well put together agenda
- Post-meeting follow through

Watch and evaluate results

- Debrief with chair and appropriate staff after each meeting
- Follow up where necessary
- Determine if you are getting what you want from board

Some tips on agendas

- Have a standard and attractive agenda format
- Use a consent agenda
- Make sure agenda has mission, engagement, accountability and important (decision) elements
- Sequence agenda so that members stay engaged (not bored)
- Time the agenda items and stay on time
- Make sure attendance is on the agenda
- Know which agenda items can be deferred if necessary to stay on time

Other tips: your turn

Problem solving and debrief

Nonprofit Board and CEO
Are Really In Strategic Partnership

Although theory and law assert that the CEO works for the Board, the working relationship and mutual support between the Board and CEO is critical to the success of a nonprofit. There might be an impression that the traditional structure of Boards, with its conventional job descriptions and committees, is somehow a rigid, top-down hierarchy, but this often is not the case. In many nonprofits, it is actually the CEO who facilitates and guides the Board members to do their jobs. Many nonprofits have the CEO and other staff members on certain committees. The CEO has strong input to the deliberations and decisions of Board members. Research suggests that a successful working relationship – a "strategic partnership" – between the Board members and CEO is one of the most important criteria for a high-performing nonprofit organization.

Descriptions of the traditional policy Board often portray the Board members as the "bosses" of CEOs, handing down directives and then "policing" the CEOs to ensure that those directives are followed. CEOs with that perspective often are confounded to understand why they must report to a group of people (Board members), many of whom do not seem to understand much, if anything at all, about the nonprofit and its programs. Consequently, these CEOs struggle to accept the credibility and directions from Board members. New or struggling CEOs can even resent and disrespect Board members to the extent that the CEOs ignore the members altogether.

Many experts assert that one of the reasons that a Board might struggle to be effective is because the CEO really does not want an effective Board and, therefore, does not help members to realize their roles and does not provide needed information to the Board members. Seasoned CEOs have learned that their jobs can be enhanced considerably with the additional guidance and resources from a highly effective Board of Directors – but the CEOs realize they must help the Board members to be that effective. CEOs can support the development of a Board by:

- **Helping Board members to understand their roles as members of a governing Board.**
  The CEO often has more interest and resources to fully understand the role of a nonprofit Board and, therefore, can be extremely helpful to Board members' learning their roles. The CEO can work with the Board Chair or Chair of a Board Development Committee to design and conduct the first several Board trainings.

- **Suggesting people to recruit as Board members.**
  As much as possible, these people should be independent Board members – people who have no other strong, vested interest in the nonprofit, for example, people who are not staff members, or who are not very close and personal friends of the CEO.

- **Training Board members about the nonprofit and its programs.**
  Frequently, members can serve on a Board for years and still not really know what programs are offered by the nonprofit. CEOs can significantly increase the effectiveness of Board members, and their contributions to the nonprofit, by orienting members about the nonprofit, including its history, programs, collaborators and successes.

- **Playing a strong role in strategic planning discussions and decisions.**
  Boards that view members as attending primarily to top-level policy will sometimes make
  the mistake of determining mission, vision, values and top-level goals without the input from
  the CEO and senior staff members. That is a mistake. The most useful strategic planning
  sessions often involve information, discussions and suggestions from staff members.

- **Participating in Board committees.**
  The CEO can provide great value to committees, especially Fundraising, Finance, Personnel
  (except when the Board is evaluating the CEO and determining his/her compensation),
  Programs and Marketing. A trend is for other staff members to be on some of the Board
  committees, as well.

- **Provide useful information to Board members in time for their review before meetings.**
  Some CEOs have learned that one of the best ways to incapacitate a Board is by giving them
  new materials during a Board meeting, so that members are quickly overwhelmed and
  confused. As a result, members end up listening and agreeing with whatever the CEO
  suggests. Seasoned CEOs share materials well before Board meetings.

> An excellent resource that researched and explained the value of this
> partnership is *Executive Leadership in Nonprofit Organizations: New
> Strategies for Shaping Executive-Board Dynamics* by R.D. Heimovics
> and R.D. Herman (Jossey-Bass, 1991).

Constructive Partnership

From The Source: 12 Principles that Power Exceptional Boards

Exceptional Boards govern in constructive partnership with the CEO, recognizing that the effectiveness of the board and the CEO are interdependent.

-Boards forge a partnership characterized by mutual trust, forthrightness and a common commitment to the mission.

-CEOs provide Boards with tools and information to govern.
Welcome differing points of view and strategic thinking at the Board table.

Responsible Boards	X	The Source Of Power	=	Exceptional Boards
Delegate operations to the CEO		Trust, candor and respect		Face and resolve problems early
Evaluate CEO annually		Sharing good and bad news		Attract more qualified CEOs
Ensure fair and competitive compensation		Communication in and between meetings		Retain talented CEOs longer
Develop a job description with and for the CEO		Open and honest CEO		
		Insightful tools and information		Change executive leadership at the right time

Staffing a Nonprofit Board of Directors

Make sure that current job descriptions are in place for the board and for the executive.

Grow a mutually supportive, ongoing relationship with the board president. Meet regularly. Co-manage the board. Create and follow an annual work plan. Brief the president just prior to each board meeting on attendance, quorum, the agenda particulars andany problems or successes board members are having.

Support an ongoing nominating or board development committee and work closely with it.

Provide for orientation and continuing education. Help plan board retreats that include team-building, planning, board performance review and education.

Provide inspiration, meaning making opportunities, motivation and board recognition.

Continuously focus the board on its policy and oversight functions.
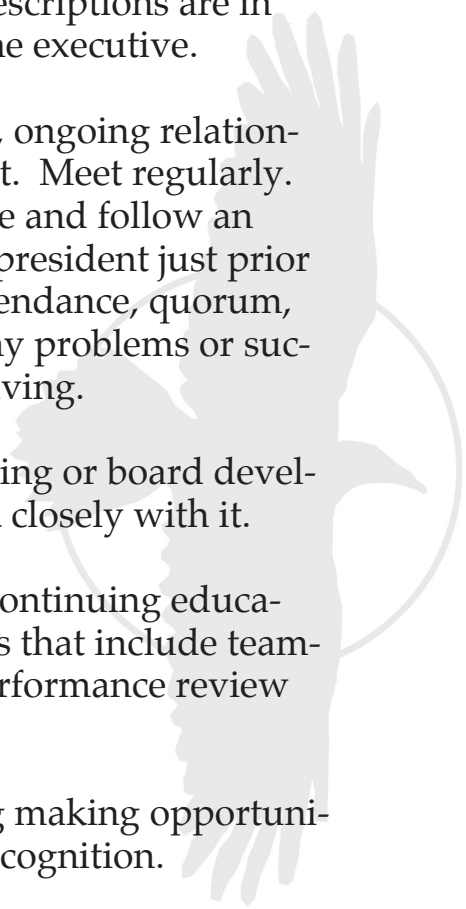
Approach your performance review as a way to strengthen both your performance and the board's. Make sure it addresses long range and comprehensive measures, so that the board doesn't loose its governance focus.

Make sure each board member has what they need to do a good job such as an updated board roster, annual meeting schedule including location, board policy manual, a way to keep their materials easily accessible, a periodic organizational tour, a reminder call if they want and need it and a friend/mentor on the board.

Also, be sure that the board has what it needs to make good decisions such as a timely and easy to read agenda (7-14 days in advance), easy to read and comprehensive minutes and rationales and recommendations for each decision in writing.

Make sure that each meeting is well organized and attractive:
• Mission and values prominently displayed
• Seating arranged so that the board can talk to each other
• Name plates
• Food
• Extra materials available without blame
• Extra policy manual
• Something poignant and inspirational about the organizaiton.
• On time.
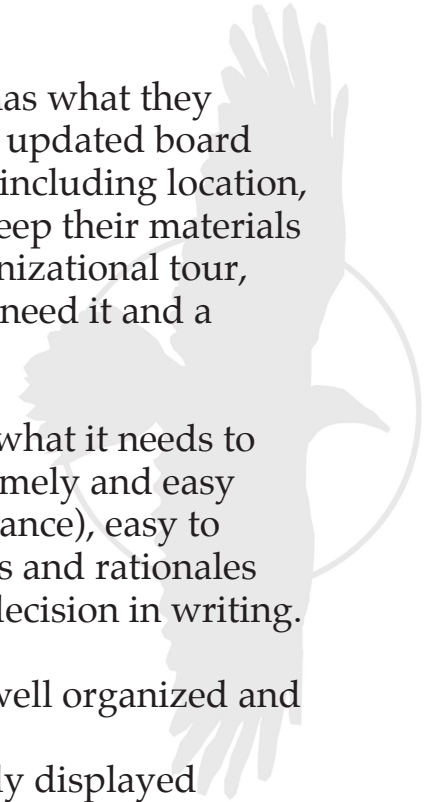
An Assessment Tool

For Creating, Managing, and Nurturing Effective Boards of Directors

A board who operates with the big picture in mind ensures that an organization achieves its full potential. Managing the board so it can guide the organization in this way, is a balancing act that requires vision, humility, and skill.

This tool is intended to be a comprehensive and detailed assessment of almost everything a highly developed organization might need to function effectively.

It is also an assessment of how much you know about your organization. Please use it with discernment.

Fall 2003
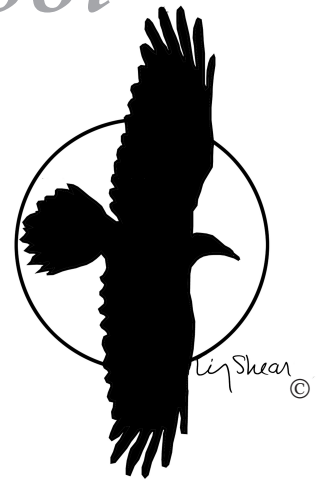
Is your Nonprofit Board of Directors Effective?

An Assessment Tool

Please rate your board's effectiveness by circling one of the four options provided: 1=high 2=adequate 3=needs improvement 4.?=don't know/not applicable

After completion think about your organization and your ratings. For example, some questions may not apply to your organization. Then give your organization an an overall assessment.

Values, purpose and direction

1. There is a mission statement and it is approved periodically by the board.

    1. high 2. adequate 3. needs improvement 4. not applicable

2. The board understands the organizational mission.

    1. high 2. adequate 3. needs improvement 4. not applicable

3. The board has adopted clear values/guiding principles that direct the organization.

    1. high 2. adequate 3. needs improvement 4. not applicable

4. The board participates in setting an organizational strategic plan.

    1. high 2. adequate 3. needs improvement 4. not applicable

5. The board reviews and updates the strategic plan, values and mission.

    1. high 2. adequate 3. needs improvement 4. not applicable

6. The board understands how the programs, business and/or work of the organization furthers its mission.

    1. high 2. adequate 3. needs improvement 4. not applicable

7. The board knows who the stakeholders are.

    1. high 2. adequate 3. needs improvement 4. not applicable

    Comments _____

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Human resources: board of directors

8. The board understands its purpose, function, structure and role.

   1. high 2. adequate 3. needs improvement 4. not applicable

9. The board has by-laws and internal operating procedures, uses them and reviews them periodically.

   1. high 2. adequate 3. needs improvement 4. not applicable

10. The board has clearly defined roles and responsibilities for members, officers, committees and other kinds of affiliates.

   1. high 2. adequate 3. needs improvement 4. not applicable

11. The board has an approved method for replacing itself and follows it.

   1. high 2. adequate 3. needs improvement 4. not applicable

12. The board has an approved method for removing members.

   1. high 2. adequate 3. needs improvement 4. not applicable

13. The board has an orientation, continuing education and recognition process.

   1. high 2. adequate 3. needs improvement 4. not applicable

14. The board has an optimum mix of members (work, wealth and wisdom).

   1. high 2. adequate 3. needs improvement 4. not applicable

15. The board has a conflict of interest policy.

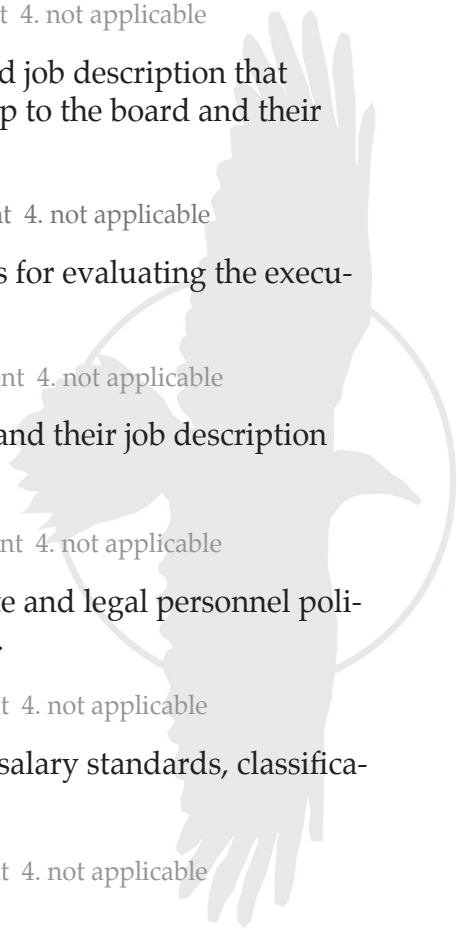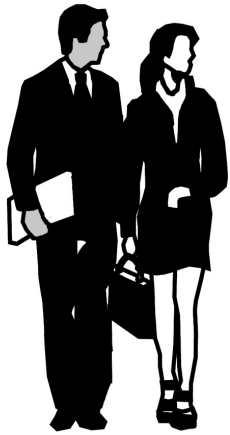   1. high 2. adequate 3. needs improvement 4. not applicable

Comments

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Human resources: staff

16. The board hires and fires the executive.

    1. high 2. adequate 3. needs improvement 4. not applicable

17. The executive has a board approved job description that includes the executive's relationship to the board and their degrees of freedom.

    1. high 2. adequate 3. needs improvement 4. not applicable

18. The board has an approved process for evaluating the executive's performance.

    1. high 2. adequate 3. needs improvement 4. not applicable

19. The board evaluates the executive and their job description annually.

    1. high 2. adequate 3. needs improvement 4. not applicable

20. The board has approved, up-to-date and legal personnel policies and reviews them periodically.

    1. high 2. adequate 3. needs improvement 4. not applicable

21. The board has a system for setting salary standards, classifications and ranges.

    1. high 2. adequate 3. needs improvement 4. not applicable

Comments _____

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Planning, organization and administration

21. The board and executive have determined the organizational operating standards, culture and style.

    1. high 2. adequate 3. needs improvement 4. not applicable

22. The board and executive have set an annual calendar, agenda and / or work plan.

    1. high 2. adequate 3. needs improvement 4. not applicable

23. The board operates in a planful and organized way rather than by crisis.

    1. high 2. adequate 3. needs improvement 4. not applicable

24. The board understands and approves the organizational structure.

    1. high 2. adequate 3. needs improvement 4. not applicable

25. The board and the executive coordinate the work of the board.
    1. high 2. adequate 3. needs improvement 4. not applicable

26. There is a method for evaluating the board and the organization on a regular basis.

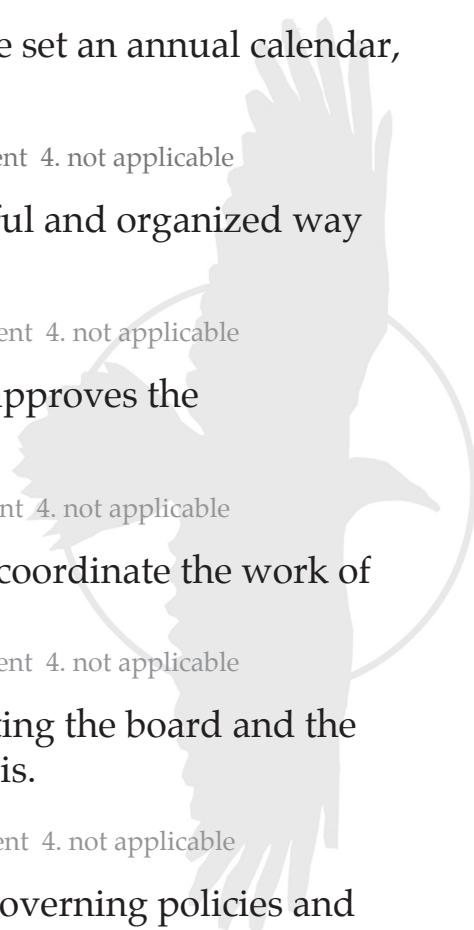   1. high 2. adequate 3. needs improvement 4. not applicable

27. The board sets and reviews governing policies and procedures.

    1. high 2. adequate 3. needs improvement 4. not applicable

28. The board understands its public relations function and fulfills it.

    1. high 2. adequate 3. needs improvement 4. not applicable

Comments _____

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Program

29. The board defines the general parameters of organizational programs.

   1. high 2. adequate 3. needs improvement 4. not applicable

30. The board evaluates program performance on a regular basis.

   1. high 2. adequate 3. needs improvement 4. not applicable
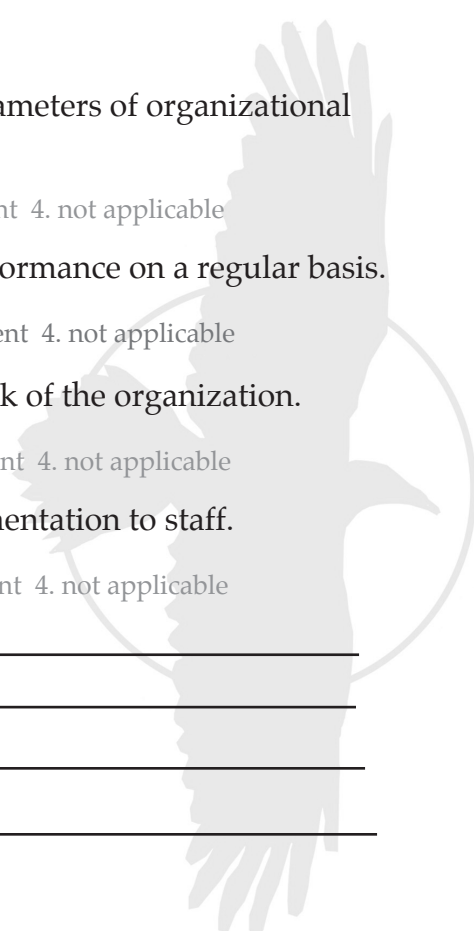
31. The board is familiar with the work of the organization.

   1. high 2. adequate 3. needs improvement 4. not applicable

32. The board leaves program implementation to staff.

   1. high 2. adequate 3. needs improvement 4. not applicable

   Comments _____

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Economic resources

Resource Development

33. The board understands the long-range nature of resource development and has a multi-year approach.

    1. high 2. adequate 3. needs improvement 4. not applicable

34. The board approves an annual resource development plan that corresponds to the strategic plan.

    1. high 2. adequate 3. needs improvement 4. not applicable

35. The board participates in achieving annual and long-range resource development goals.

    1. high 2. adequate 3. needs improvement 4. not applicable

36. The board has policies and procedures that define resource development such as acceptance of gifts, donor recognition, fees/prices, business development, program related income, capital and special campaigns, annual and deferred giving, board, participation and criteria for fundraising events.

    1. high 2. adequate 3. needs improvement 4. not applicable

Finances

37. The board understands and enacts its legal and fiduciary responsibilities

    1. high 2. adequate 3. needs improvement 4. not applicable

38. The board sets the fiscal year, budget formats, budgeting process and monitoring process.

    1. high 2. adequate 3. needs improvement 4. not applicable

Comments

39. The board ensures that proper insurance is obtained including board insurance.

    1. high 2. adequate 3. needs improvement 4. not applicable

40. The board ensures that the organization is legally compliant.

    1. high 2. adequate 3. needs improvement 4. not applicable

41. The board oversees an independent audit/financial review on a regular basis.

    1. high 2. adequate 3. needs improvement 4. not applicable

42. The board approves and monitors an annual budget that links to the organization's strategic plan.

    1. high 2. adequate 3. needs improvement 4. not applicable

43. The organization has a deficit policy, line-of-credit policy and investment policy.

    1. high 2. adequate 3. needs improvement 4. not applicable

44. The board approves and adheres to an accounting system that has appropriate controls.

    1. high 2. adequate 3. needs improvement 4. not applicable

45. The board authorizes all bank accounts.
    1. high 2. adequate 3. needs improvement 4. not applicable

46. The board establishes standards that set executive freedom and limits for enacting the day-to-day finances.

    1. high 2. adequate 3. needs improvement 4. not applicable

47. The board has an organization retirement policy.

    1. high 2. adequate 3. needs improvement 4. not applicable

Comments _____

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Physical resources

48. The board sets standards for all facilities.

   1. high 2. adequate 3. needs improvement 4. not applicable

49. The board has a real estate acquisition policy.

   1. high 2. adequate 3. needs improvement 4. not applicable

50. The board approves purchases and leases.

   1. high 2. adequate 3. needs improvement 4. not applicable

51. The board has a policy regarding equipment purchasing, leasing and inventory.

   1. high 2. adequate 3. needs improvement 4. not applicable

52. The board approves a management information plan.

   1. high 2. adequate 3. needs improvement 4. not applicable

Comments _____

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Overall Assessment

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Creating, Managing, and Nurturing Effective Boards of Directors in Voluntary Sector Organizations

Project Proposal

Please select a project that is relevant to your organization and enhances your learning

1. Project Description

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2. Project Rationale

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3. Project Goal _____

_____

_____

4. Objectives and Expected Results

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5. Methodology

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6. Resources

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7. Evaluation _____

_____

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Make copies for the driector, insturcutor and yourself.

Executive Director _____

Instructor _____

Staff _____

Date _____

Philosophy Of Board Goverance

From A Dictionary of Philosophy by Peter D'Angeles.
Harper and Row (London: 1981), p.211.

Derivations: Greek, philosophia, from philos, "love," or philia, "friend-ship," "affection," "affinity for," "attraction toward," and sophos, "a sage," "a wise one," or sophia, "wisdom," "knowledge," "skill," "practical wisdom or experience," "intelligence."

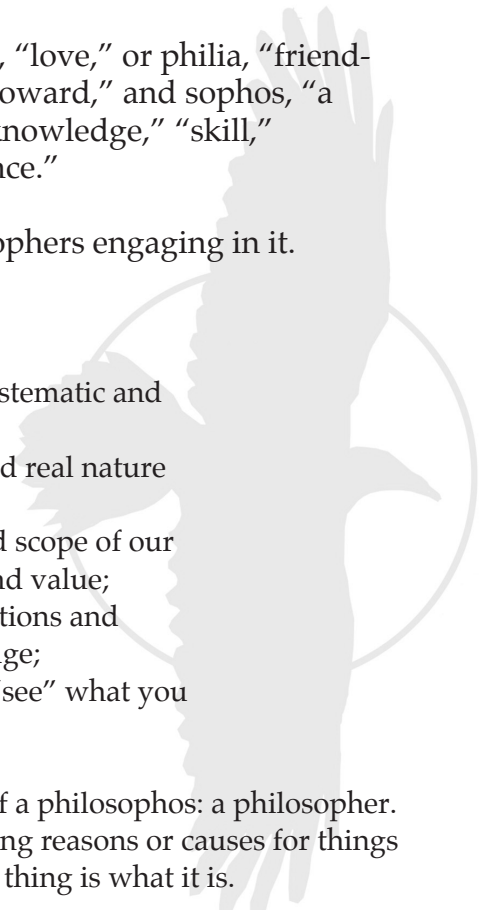Philosophy has as many meanings as philosophers engaging in it.

   Some basic definitions:

   1. The speculative attempt to present a systematic and
    complete view of all reality;
   2. The attempt to describe the ultimate and real nature
   of reality;
   3. The attempt to determine the limits and scope of our
    knowledge: its source, nature, validity and value;
   4. The critical inquiry into the presuppositions and
   claims made by various fields of knowledge;
   5. The discipline which tries to help you "see" what you
    say and say what you "see."

Pythagoras was the first Westerner to call himself a philosophos: a philosopher. Sophia meant for him the knowledge of underlying reasons or causes for things as they appear to us, knowing the reasons why a thing is what it is.

Being conscious of "seeing what you say and saying what you see" internally and externally is a reflective and integrative process, which makes you more effective at being and doing in our world. This is sometimes called "double loop" learning. First named by Chris Argyis of M.I.T., the concept describes the process of surfacing, naming and suspending our unconscious assumptions, knowledge and beliefs that subtly influence our stance in life and our decisions.

Many of you asked, "What is philosophy and how does it apply to board governance?" I hope these definitions and doing your paper help you to understand why knowing your personal philosophy is important.

Philosophy Of Board Governance

Intention

_____
_____
_____

Values/ Guiding Principles

_____
_____

Assumptions

_____
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_____

Rationale

_____
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Style

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Learning Needed

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_____

Self Evaluation

_____
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