

Board Chair and CEO – Helping Each Board Member Succeed

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This is third of series of articles dealing with the successful recruitment, orientation, motivation and evaluation of the Board of Directors (Trustees) of a nonprofit business. The process should be transparent and rigorous because these are the people who hold the organization and the future of the nonprofit enterprise in “trust” for the greater community. The individuals are both morally and legally responsible to the accomplishment of the mission and its success on perpetuity.

Each Director (Trustee) has a responsibility to the organization and the people who benefit from the services provided now, and in the future. The recruitment, which was discussed in the “It Begins with the First Conversation,” must be diligent and purposeful to insure the best available talent can be brought to serve the organization. We suggested a process be used that is to similar the techniques in Moves Management in fundraising. It enables an organization to establish a result oriented selection system for future Board members and future leaders of the organization.

The second step in the process in the article entitled: “After the First Conversation,” we discussed the process of orientation and assimilation into the board process. This should be a rigorous process as well. This is the stage where new Board members develop good habits of participation and an understanding the operation of the Board of Directors (Trustees) and the operation and services of the nonprofit business. Participation in board activities is essential for developing a sense of ownership of the goals and vision of the nonprofit. It is where a new board member learns about policy and governance within the culture of the organization. Hopefully, the board member learns the appropriate limits to being involved in the actual operation and interactions with staff at all levels.

The third step is the management of the Board member’s career. This management is a shared responsibility between the CEO/ED and the Board Chair. Committee assignments and work of the Director (Trustee) is assigned by the Chair in accordance with the organization’s governance policies and guided by the provisions of the Bylaws that regulate such actions.

Depending on the size and complexity of the nonprofit, the number of committees can and does vary widely. There are certain committees every organization will need:

- ❖ Executive Committee – Depending on the size of the board and meeting frequency, an organization may feel this committee is not necessary. However, it is good in most cases to have a designated committee that

- can convene and act when a time sensitive action is required. The committee is made up of all Board members.
- ❖ **Audit Committee** – In today’s world of increased accountability, it is vital to conduct some form of audit each year. At least, one senior Board officer should Chair this committee. The Committee should contain members of the board who understand finances and accounting principles. The committee is made up only of Board members.
 - ❖ **Finance Committee**- This committee is responsible to the board for monitoring budget and any investment resources. This committee may include volunteers as well as board members who have specific expertise in financial matters. Such volunteer involvement may be a way to identify effective new board members.
 - ❖ **Programs**- This committee provides direction to the services and programs the nonprofit organization delivers to its target customer audience. Volunteers who have expertise in the programs area should be recruited to assist in this area. Some may be candidates for Board Service.
 - ❖ **Board Development**- The perpetuation of the board and increasing the talent pool to support and set policy is a vital to the future success of the organization. Those people on the board who are in leadership positions or are being groomed for leadership should serve on this committee. This group knows what type of leadership is needed and can assess the relative merits and performance of individual members. The committee may wish to seek guidance from “influencers” in the community to help identify appropriate board candidates, using the system outlined in the “It Begins with the First Conversation.” Influencers may be effective new board members, as well.
 - ❖ **Marketing and Fundraising** – Marketing and fundraising are key functions of every Board. The board has the responsibility to maintain a solid financial base. These two functions should be combined under one committee and one senior staff person. Most nonprofits require increasing amounts of private support to maintain and expand vital service programs. Private resources are the key to the health of the organization. This committee should be populated by Board members who are active donors to the organization and are willing to ask others for support. Some active large donors may also be willing to serve as volunteers on the Development committee.

These two programs position the nonprofit to communicate its mission, vision and goals. Together, they provide an environment that supports gaining both financial and volunteer resources. Bringing marketing professionals onto the Committee as volunteers provides additional talent to

strengthen and guide the programs, and again, may be a source for volunteers on the Board.

Decisions about board assignments:

At the beginning of each board year (fiscal or annual), the Chair of the Board and the CEO/Executive Director should meet to discuss the performance of those members continuing to serve and discuss the first assignments of new members. The process begins with assessing continuing members. The CEO/ED will have knowledge of an individual's participation in current committee assignments, their participation in cultivation and fundraising efforts of the organization, and their personal financial commitments to the nonprofit. Depending on the desire of the board chair, evaluations of the last year's individual performance on Committees can be solicited from Committee chairs. The Board Self-Assessment and Evaluation process outlined in the first article can be considered as a part of this review.

The CEO/ED should provide the Chair with a chart showing the current assignments of continuing board members and any history of previous assignments within the board structure. The board chair should discuss continuing assignments or potential reassignments with the CEO/ED. Consideration for assignments should be given first to those members have provided excellent service in their current positions and who have been identified as potential future leaders of the organization. The goal should be to provide the broadest possible experience to future leaders.

In most nonprofit structures, terms of service generally are two three year terms or two four year terms. Depending on the board Bylaws related to the number and length of terms any one member may serve, assessments for leadership potential should be made in the first two to three years of membership on the board. This provides ample time to groom an individual for senior leadership responsibility within the term limits imposed by the Bylaws.

Once an individual has been identified as a future leader, the Board Chair and CEO/ED should have an in depth discussion with the individual about his or her desire to serve in such a role. An affirmative response to this overture should trigger a response from the Chair and the CEO/ED to develop a career path chart for that board member. The selected board member should be asked for input related to their experience on other boards. This information will be used to develop a career path that will provide the broadest experience as possible as the person progresses in the organization.

Vital position assignments for a future leader are service on the Development committee and the Board Development committee. A future leader will want to have the experience and the board will want the individual be tested as to their willingness to lead others in fundraising. Service on Board Development will give

the potential leader an opportunity to understand the board selection process and to help shape future talent pool from which new members will be chosen.

Next the Board chair and the CEO/ED should review the evaluations of other continuing board members. An assessment should be made of their current performance, history of service on committees, and the length of time the board will continue to serve. The critical question to answer is: "Where will the board member's talent and abilities best serve the organization?" The answer will guide the assignment.

Finally, the Chair and the CEO/ED should consider the assignment of the newest members of the board. Based on what was learned about the new member's background on previous boards, and their stated preferences related to Board committees the Board chair and CEO/ED should attempt, where possible, to make one assignment in an area preferred by the new member. This initial assignment in a preferred area will build goodwill with the new member and assist in assimilating the person into the culture of the organization. Other assignments should be made based on the needs of the organization.

It is recommended that a new member be assigned to only two committees in the first year. Continuing board members should not be assigned to more than three committees. These board members are volunteers, foremost. Overloading board volunteers creates stress and poor performance. If there are more assignments than board members can handle consider combining committees or evaluate the purposes for which the committees were created and eliminate those that are no longer relevant.

Possible Career Paths:*Potential Senior Leaders:*

Year 1 and Year 2 - Original Board Assignment

Year 3 - Programs, Marketing and Development

Year 4 - Development and Marketing, Finance, or Programs

Year 5 - Development and Marketing, Finance or Audit

Year 6 - Committee Chair of Development and Marketing, Audit, or Finance,

Year 7 - Vice Chair

Year 8 - Chair

Good Performing Board Members:

Year 1 and Year 2 - Original Board Assignment

Year 3 and 4 - Second assignment Programs, Finance, or Development and Marketing

Year 5 and 6 – Committee Vice-Chair

Year 6 and 7 – Committee Chair

This process should be formal at the beginning of each operating year. The Board chair and the CEO/ED should conduct informal reviews periodically to assess the success of their process.

A final thought:

After the assessments by the Board Chair and the CEO/ED of continuing board members is completed and assignments for the coming year are made, the Board chair may wish to share the assessment data with the Chair of the Board Development committee. This information may assist the committee in its process of seeking specific new talent to strengthen the board and inform decisions about the retention of board members who may be eligible for re-election at the end of the next year.

The evaluation of board members contributions to the board related policy, governance, fundraising and program support should be reviewed critically each year. If your member is not considered to be at least a “Good Performing” Director (Trustee), the Board Development committee should have the courage to ask the member to seek involvement with another organization that better suits the member’s personal goals.