

Governance 201

The Life Cycle of the
Nonprofit Board



Board Leadership
& Development
A MURDOCK TRUST PROGRAM

Identify: Recruiting New Board Members

> Three Steps:

1. Board Evaluation—know what you want

- > Use tools for board evaluation and individual board member self-evaluation
- > Create a matrix to identify current board composition
- > Use strategic plan to identify needed strengths and areas of expertise
- > Identify the weaknesses/needs in current board
- > Create profile for new members
- > Give priority for needed diversity in recruitment efforts



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Continue: Effectively Involving Board Members to Achieve the Vision

› Five Considerations

1. **Time Management:** Use their time wisely with well-run, organized, purposeful meetings
2. **Communication:** Timely mailings, meeting preparation, semi-annual visits by board chair, good staff-board communications
3. **Involvement:** According to their expectations and roles, opportunities for organization involvement, personal financial support
4. **Revitalization:** Board retreats, strategic planning work, outside consultants
5. **Recognition:** Acknowledge and thank board members often



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Keys for Good Endings

- › Clear policies and expectations
- › Fair and frequent evaluations
- › Processes for grievances and discipline
- › Accountability
- › Appropriate term limits
- › History



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Succession Planning



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**A GOOD, SIMPLE, COMMUNICATED CONTINGENCY PLAN IS FIRST.
TO GET STARTED, ANSWER THESE QUESTIONS:**

1. Who takes the lead?

a. What are the decision-making parameters?

b. How much money can be spent?

2. When, what, and to whom do we communicate?

a. Organization

b. Donors

c. Family

d. Insurance—should you have it?

e. Constituents

f. Bank

g. Others?

3. What about the organization?

a. Who is in charge?

b. Will we pay them extra?

c. How do we communicate?

d. Is there an interim leader?

e. Do we start a search?

f. How is the search to be paid for?

4. What about the family?

a. Do they know?

b. What can be done to ease the pain?

Succession Planning

- › Succession planning is a process of preparing for good leadership transition
- › Succession planning is not to be confused with Executive Director or key leader evaluation
- › Two key aspects of succession planning to consider:
 1. Contingency planning deals with emergencies
 2. Succession planning prepares for the future



Succession Planning

2. A written Succession Plan and the elephant in the room

- › Why so few of us have a good written plan
- › Uneasiness from the board
 - › Poor Executive Director evaluation process, if there is one
 - › Marginal performance by Executive Director
 - › Not wanting to “talk money”
 - › Not sure how to create a plan
 - › Who should have the conversations?
 - › How do we start the conversations without concerning the Executive Director?
- › Insecurity of Executive Director
 - › Are they forcing me out?
 - › I don’t have enough to retire
 - › Am I not doing a good job?
 - › I haven’t had a review in years



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The Board/Executive Director Relationship



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Cultivating Clarity and Alignment

THE GOVERNANCE CONTINUUM

BOARD AS STAFF	BOARD AS MANAGERS	BOARD AS DIRECTORS	BOARD AS GOVERNORS	BOARD AS ADVISORS
Legal responsibility resides with the board	Legal responsibility resides with the board	Legal responsibility resides with the board	Legal responsibility resides with the board	Legal responsibility resides with the board
Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the Executive Director
Organization long-term goals are set by the board	Organization long-term goals are set by the board	Organization long-term goals are set by the board	Organization long-term goals are set by the Executive Director	Organization long-term goals are set by the Executive Director
Strategies to achieve organizational long-term goals are developed by the board	Strategies to achieve organizational long-term goals are developed by the board	Strategies to achieve organizational long-term goals are developed by the Executive Director	Strategies to achieve organizational long-term goals are developed by the Executive Director	Strategies to achieve organizational long-term goals are developed by the Executive Director
Day-to-day operational authority rests with the board	Day-to-day operational authority rests with the Executive Director	Day-to-day operational authority rests with the Executive Director	Day-to-day operational authority rests with the Executive Director	Day-to-day operational authority rests with the Executive Director
The board spends most of its time DOING the work of the organization	The board spends most of its time SUPERVISING the work of the organization	The board spends most of its time DIRECTING the work of the organization	The board spends most of its time GOVERNING the work of the organization	The board spends most of its time AFFIRMING the work of the organization
Primary board output is LABOR	Primary board output is COORDINATION	Primary board output is DIRECTION	Primary board output is COUNSEL	Primary board output is ENDORSEMENT

Teal indicates Board responsibilities; Salmon indicates Executive Director responsibilities. These vary based upon which type of board you have.
Adapted from R. Terrence Jackson © 2004

The Continuum Between Policy-Making Boards and Hands-On Boards

BOARD MEMBER QUIZ	POLICY-MAKING ✓	HANDS-ON ✓
1. Board committees focus ONLY on governance		
2. Most board members have key volunteer roles		
3. “Adjourned is adjourned”—board members have no authority outside board meetings		
4. All execution and implementation assigned to Executive Director		
5. “The board speaks with one voice or not at all”		
6. Board members chair and serve on various operational committees, including Program, Operations, and Fund Development Committees		
7. Board agenda focuses on short-term problems		

Board Member Temptations

1. To think and conduct board business under the false assumption that all board members are just like me, and that we are wired with similar strengths, gifts, and social styles.
2. To assume all board members are experienced and effective leaders—just like me—and that we all agree on our board’s operating style and are aligned with the Executive Director’s preferred operating style.
3. To confuse the three hats of a board member: governance, volunteer, and participant.
4. To lower the bar on board member selection and buy into the ill-informed mantra that just one of the three “W’s”—work, wisdom, wealth—is sufficient.
5. To recruit board members because of their position versus their passion.



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WORKSHEET:

Where is Your Board on the “Policy Governance®” Continuum?

ADAPTED FROM JOHN CARVER’S “POLICY GOVERNANCE®” LIST OF BOARD ROLES

SELECT 1 THROUGH 10 FOR EACH STATEMENT BELOW

“THE STARTER LIST”	ALWAYS										NEVER										
	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
THE BOARD																					
1. Sets the board’s work plan and agenda for the year and for each meeting																					
2. Determines board training and development needs																					
3. Attends to discipline in board attendance, following bylaws and other self-imposed rules																					
4. Continually improves their expertise as life-long learners in governance																					
5. Meets with and gathers wisdom from the organization’s customers and “owners”																					
6. Establishes the limits of the Executive Director’s authority to budget, administer finances, and compensation																					
7. Establishes the results, recipients, and acceptable costs of those results that justify the organization’s existence																					
8. Examines monitoring data and determines whether the organization has achieved a reasonable interpretation of board-stated criteria																					

JOHN CARVER'S PURPOSE OF GOVERNANCE

“The purpose of governance is to ensure, usually on behalf of others, that an organization achieves what it should achieve while avoiding those behaviors that should be avoided.”

Boards That Make a Difference:

A New Design for Leadership in Nonprofit and Public Organizations,

by John Carver

<https://www.policygovernanceassociation.org/resources/principles-of-policy-governance.html>

WORKSHEET:

What Is Your Board’s Operating Style and What Is Your Executive Director’s Operating Style?

CIRCLE THE NUMBER THAT BEST DESCRIBES YOUR BOARD’S OPERATING STYLE TODAY

	HIGH POLICY-MAKING					HIGH HANDS-ON				
Board's Style 10 = High Policy-Making 1 = High Hands-On	10	9	8	7	6	5	4	3	2	1

CIRCLE THE NUMBER THAT BEST DESCRIBES YOUR EXECUTIVE DIRECTOR’S OPERATING STYLE TODAY

	HIGH POLICY-MAKING					HIGH HANDS-ON				
Executive Director's Style 10 = High Policy-Making 1 = High Hands-On	10	9	8	7	6	5	4	3	2	1

WORKSHEET:

Where Do You Want Your Board and Executive Director to Be in 12 to 18 Months?

Now take this second self-assessment below.

CIRCLE THE NUMBER THAT BEST DESCRIBES WHERE YOU WANT YOUR BOARD'S OPERATING STYLE TO BE IN 12 TO 18 MONTHS

	HIGH POLICY-MAKING					HIGH HANDS-ON				
Board's Style 10 = High Policy-Making 1 = High Hands-On	10	9	8	7	6	5	4	3	2	1

CIRCLE THE NUMBER THAT BEST DESCRIBES WHERE YOU WANT YOUR EXECUTIVE DIRECTOR'S OPERATING STYLE TO BE IN 12 TO 18 MONTHS

	HIGH POLICY-MAKING					HIGH HANDS-ON				
Executive Director's Style 10 = High Policy-Making 1 = High Hands-On	10	9	8	7	6	5	4	3	2	1

