

A NEED TO RETHINK THE PARADIGM: WHAT RESEARCH TELLS US ABOUT YOUR
BOARD AND THE WAY IT GOVERNS
Part II

In Part I of this article (*Nonprofit Boards and Governance Review*, October 21, 2009), I shared several research studies that had, in my mind, implications that suggest we should be rethinking the way business is typically done in our sector. In Part II, I'm sharing studies that suggest if we truly want to be more successful we should be doing *more* of what we already know we *should* be doing.

The first three studies, or series of studies, here validate that there *is*, as we might intuit, a relationship between board and organizational effectiveness. The fourth builds on the groundswell we're seeing for boards to get out of the boardroom and into the community.

The Relationship between Board and Organizational Effectiveness: Take 1

If you are concerned about board performance, it is helpful to look at a series of papers written by Bob Herman and Dave Renz over the last few years in which they state that the research shows board effectiveness related to organizational effectiveness. While they could not determine causality – perhaps effective organizations just attract better boards – they did find that effective boards use more prescribed practices and efforts to improve board effectiveness seem to pay off. This last finding was found to be true in work that Jeff Brudney and Vic Murray did also (“Do Intentional Efforts to Improve Boards Really Work?” *Nonprofit Management and Leadership*, Summer 1998).

Implication: Board education, particularly in the area of governance is a must. While I'm not sure that there are any truly “best” practices, I am confident that there are proven practices that have been demonstrated to work with a significant number of organizations. I believe you have a responsibility to share these practices with your board members. You can accomplish this in a number of ways, including encouraging their participation in programs offered by local management support organizations (MSOs), bringing trainers into the boardroom, sending board members relevant articles on governance and sending them to conferences. Don't be deterred out of fear that your directors will resent the time involved. Most – 93% of board members according to BoardSource's *Nonprofit Governance Index 2007* – want to do the best job possible and welcome training. You do your organization a great disservice when you make decisions for your board, such as forgoing training based on the assumption that your board members will not give you the necessary time.

The Relationship between Board and Organizational Effectiveness: Take 2

It's probably little surprise, but – according to Renz, Herman and Dick Heimovics in “Board Practices and Board Effectiveness in Local Nonprofit Organizations,” *Nonprofit Management and Leadership* (Summer 1997) and BoardSource in *Nonprofit Governance Index 2007* – different people define and rate board effectiveness differently. Board members tend to rate their effectiveness highest. Consultants tend to rate it the lowest, with CEOs rating it somewhere in between.

Implication: As is the case in so many situations, each party believes their view of the reality is correct and acts on it accordingly. However, since board effectiveness impacts organizational effectiveness and training can improve board effectiveness, it makes sense to have your board buy into continuous improvement. This means coming up with not only goals, but criteria for success that are as objective as possible and then actually adopting some sort of evaluation system that demonstrates to everyone the degree to which their goals have been achieved.

In addition to formal evaluations, a growing number of organizations have been going into *executive session* at the end of each meeting to ask themselves candidly how they are doing and how they could do things better. Used as intended, this is an excellent technique for improving the board's effectiveness and ultimately the organization's. You might want to give it a try.

The Relationship between Board and Organizational Effectiveness: Take 3

Herman and Heimovics, authors of "Executive Leadership" in *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (1994), found that when it comes to board effectiveness the CEO also matters! Specifically, they indicate that CEOs are charged with promoting and developing their boards in order to enable them to successfully carry out their duties and responsibilities. Those who do this well will have stronger functioning boards.

Implication: While working with a board is time-consuming, staying in touch with board members between meetings, providing updates, preparing briefing materials for recommendations and so forth must be a priority of your CEO if your board is to be able to do its job successfully. Perhaps most important is that the CEO have high expectations of the board. People live up to – or down to – our expectations. It takes very little – the CEO failing to provide the big picture or fully answer questions, even *thinking* that these are only volunteers and that he/she can't expect that much of them – for your board members to pick up on the cues that they needn't give the organization their all.

Traveling Outside the Four Walls of the Boardroom

Dick Chait, Bill Ryan and Barbara Taylor have had a major impact on the ways boards work today. In my mind, one of their more important conclusions – offered in "Working at the Boundary," *BoardMember*, June/July 2004 – is that board members need to get out of the boardroom more often in order to maximize their effectiveness. The three argue that we rely on boards for their added reach into the community. They are our eyes and ears as well as our advocates. But if we only use them for a couple hours a month within the four walls of our organization, their thinking will be insular and less valuable to us.

Implications: You should be encouraging your board members to talk with their colleagues at organizations with similar missions. Get them to engage in BTW Talk – 15-20 minutes at each board meeting dedicated to the exchange of what they have learned while out and about in the community since the last meeting that could impact the organization. Provide them the opportunity to see the program in action. Let them

run focus groups or large group processes in the community in order to *hear* the needs and concerns. And, encourage them to sign up for relevant RRS feeds so that they get the most up-to-date mission-related information from around the country.

There is an old *New Yorker* cartoon that features a secretary relaying a message to an executive who has just returned to the office. As she hands him the slip of paper on which she has written it, she says, "Sir, the following paradigms shifted while you were out." Your organization is operating on shifting sands. In order to continue to function successfully in the marketplace you need every advantage. One such advantage that is easily available to us is the preponderance of research that is out there. Stay on top of it and incorporate the lessons to be learned.

Initially published in CharityChannel's *Nonprofit Board and Governance Review*, October 21, 2009.