

BOARDS ARE TRANSFORMING

By: Bob Harris, CAE

External influences are a catalyst for change on association boards. The economy causes members and sponsors to evaluate participation. Benefits are changing to meet member challenges. The IRS and media scrutinize the purpose of tax exempt organizations. Technology has altered the speed and methods of communication and governance. Generations are saying no thanks to joining and serving as volunteer leaders. The real question is, "are we producing meaningful results as leaders?"

Boards are transforming in many ways.

- **Board Size** - The number of directors is declining – partly due to the need to improve efficiency. Although the bylaws may state differently, it does not take 30 or 40 directors to run a corporation. While there is no correlation between good governance and board size, the average size has declined to just 15 directors. Especially question the wisdom of retaining multiple past presidents and ex-officio directors on the board.
- **Board Composition** – Selection by geography or chapter seldom lends itself to effective governance. Too often those directors wonder why they are on the board and are not sure who they "represent" in their board seat. If components select directors, insist they send only the best. Geographic representation should have little to do with board effectiveness. Proxies (alternates) permitted in the bylaws allows directors to miss meetings --- yet fiduciary duty requires directors to show up and perform their due diligence.
- **Meeting Format** – Read recent board minutes and you might wonder why the board met. It should not be to primarily listen to reports. Expect actions that significantly advance the goals and mission at every meeting. Craft agendas that have impact; and consider using a consent agenda to save time.
- **Nominating Process** – Ironically a board is willing to invest in a search for an executive director; but comes up short when vetting board candidates. Nominating committees may not take the job seriously. The committee rushes to find enough bodies to fill open seats. Evaluate the effectiveness of leadership succession and invest in it to improve the board and outcomes.
- **Orientation** – Don't fall for, "the board had orientation three years ago and feels it's a waste of time to repeat it this year." The transfer of information to the board on a yearly basis is critical. Board orientation doesn't have to take long, but it has to be thorough. It is a forum to review strategic goals and achievements, discuss environmental influences, and to adjust priorities. Distribute a board pledge describing duties, disclosure of conflicts and avoidance of antitrust violations. While the executive director can conduct orientation, supplement the content by inviting the attorney, CPA and insurance agent.
- **Access to Information** – Directors should make fact based decisions, thus requiring access to data. Create a leadership manual, supplemented by a board portal. Dashboards and scorecards are ideal for summarizing data and trends visually. Shame on the director who fails to prepare for meetings.
- **Committee Alignment** - Align with the strategic goals to advance the mission and serve members. Review the committee structure and merge as needed. Ensure an accurate purpose statement frames the work of committees. Encourage workgroups to produce results and products that yield value. Include committee leaders in the board's orientation. Appoint staff and board liaisons to serve as resources and advocates for committees.
- **Executive Committee** – It used to be bylaws authorized a subgroup of the board to conduct urgent business. Big boards were expensive to convene thus it made sense to rely on a smaller group. Now that boards are downsizing to less than 20, there may be no need



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for an executive committee. Technology and electronic meeting notices and votes allow for nearly instant feedback. Many boards complain that the executive committee usurps their authority. If the organization prefers conducting business with a group the size of the executive committee, consider reducing the board size.

- **Empower Staff** – Though the bylaws assigns responsibilities to volunteers and committees, organizations are transferring authority to the staff. Why wait for a treasurer to write the budget when staff can do it efficiently? Do you wait for the board chair to eventually appoint and charge committees, or is that a role the executive directors can manage?

Long gone are the days when staff members were asked to wait outside while the board was meeting.

- **Measure Performance** – “Why do it if we can’t measure it,” is a fair query of board members. Rather than taking on projects as good ideas, instead consider the resources (time, funds, and consultants, etc.) that every project requires. Find effective ways to measure performance not only of the executive director but of the

board and committees, too. For individuals and groups under performing, analyze ways to make improvements. It is not popular but is OK to re-position under performing volunteers in different roles.

- **Outcomes** – The intended outcomes should be relevant and clear to the board, committees and staff. The strategic plan is a roadmap to achieving meaningful outcomes. Keep the mission and strategic plan in view. Periodically discuss if efforts are on track or need course corrections.

- **Scrutiny** – Finally, the increased scrutiny by government, media, the public and members should be motivation to improve governance. It is expected that an exempt organization holds itself to a higher standard. The board should note external influences and work to sustain a model board of directors.

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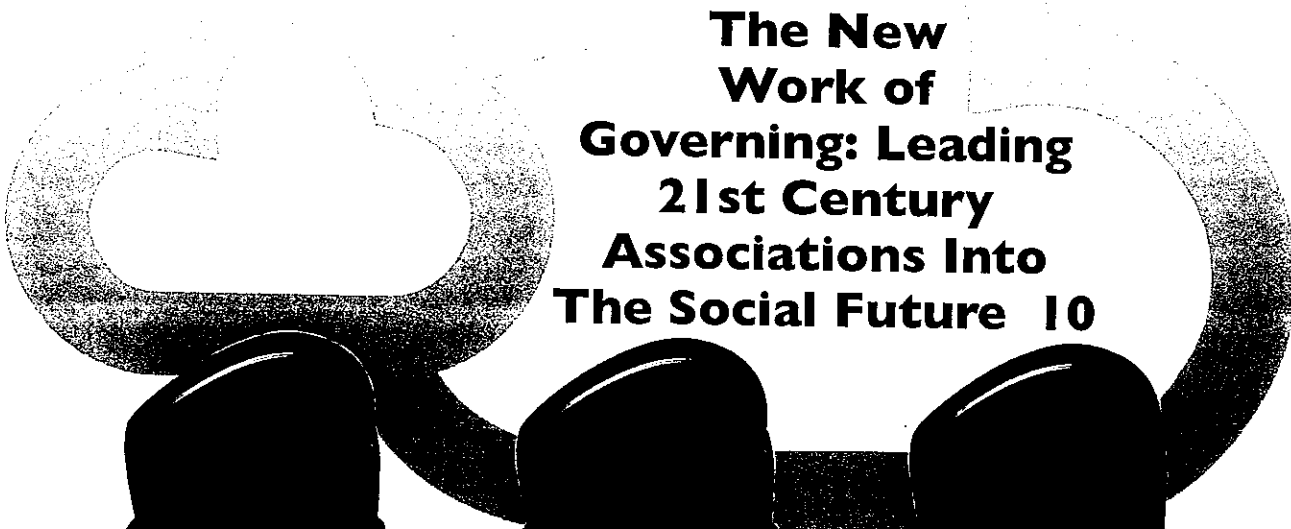
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