

Board Development in Context: Matching Expectations of the Board's Performance to Organizational Reality

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Students of nonprofit governance are beginning to challenge long-held assumptions about what boards should and shouldn't do. Instead of immediately assuming that "bad" board performance is the fault of the members, criticism is shifting toward systems and structures. It is, after all, the unusual person who accepts a board appointment with the intention of doing a poor job, and this is especially true for persons of faith who view board service as ministry.

Yet all too often, well intentioned volunteers are placed in situations where it is difficult to do their best work. By too narrowly defining the work of the board, the creative life is squeezed right out of board members. It's little wonder that so much of what happens in ministry boardrooms is uninspired and lifeless.

Fortunately, winds of change are blowing across the governance landscape, sweeping away - or at least tossing about a bit - long held assumptions about board performance. In the wake, presidents and board members report a newfound freedom in understanding trustee effectiveness as contextual - from recognizing that what is needed from the board can differ from one time to another.

Although savvy board members and experienced CEOs have long intuited this truth, it is good to finally hear it being said aloud: board development is episodic rather than linear. Even the most exemplary boards move back and forth among the following three modes of operation.

Basic, strategic, and co-creator: three modes of board involvement

1. The basic board does exactly what the label implies - it focuses the bulk of its time and attention on important, but basic, fiduciary, legal, and personnel issues. The board watches out for the fiscal integrity of the organization, ensures that operations are in compliance with the law (federal, state, and local), and that it meets the standards set forth by the various accrediting bodies to which the organization relates. The board appoints and supports the CEO, sets policies, approves plans, reviews assessment data, and acts as a board of appeal in the case of conflicts.

When asking questions, the basic board tends toward issues that are easily quantified: Do we have measures, outcomes, performance reports, audits, and budgets? Is everything under control? As for its role in institutional planning, the basic board reviews, approves, and occasionally comments on documents prepared by campus personnel, but almost never initiates plans. For the most part, the work of the basic board begins and ends with monitoring the work of others.

This is a common mode of development among boards with a significant number of new members and/or within organizations that have recently gone through a CEO transition. Boards often move into the basic mode during times of fiscal stress or other fiduciary or legal crises.

2. The second mode of board operation has a more strategic dimension, with members involving themselves in reviewing the organization's performance based on organization-specific expectations and goals. Members of strategic boards look to the organization's mission, values, and theological heritage for guidance in decision making, and can link their actions to the culture and faith convictions of the ministry. Strategic boards understand themselves to be part a working unit of the organization and are ready and willing to take responsibility for their own performance and education, including engaging in periodic board self-assessment.

The chair of the strategic board participates with the CEO in setting meeting agendas, and committee meetings make room for meaningful discussion and debate in response to administrative reports. Because members of strategic boards are provided with qualitative, as well as quantitative, information, they are better able to play a more participatory role in the planning process, at times even taking the lead in suggesting new directions for the organization. The strategic board is also much more active in fundraising and other advancement activities than is a basic board.

This is a common stage of development among boards with a high percentage of second term board members and where the CEO has been with the organization for three or more years.

3 Some boards – usually those with a high percentage of long-term members, a particularly gifted chair, and a supportive president – are able to function in a co-creator mode. In addition to giving attention to compliance issues and its own development, the co-creator board is actively engaged in helping shape the future of the institution. Trustees that are working in a co-creator mode are involved in bringing planning information and ideas into the institution and in interpreting trends in the internal and external environments of the school. Because this is such an intensive way for a board to work, few stay in this mode for more than two or three years at a time.

Members of the co-creator board think together with the administration about issues before they become problems for the organization, working to help identify issues that matter most to its long-term future. In this way, the co-creator board helps envision and shape organizational direction and aids in crafting a strategic approach to the future. Guided by a robust understanding of and appreciation for shared governance, the co-creator board is appropriately proactive, cultivating and concentrating on processes that sharpen organizational priorities. Leadership of co-creator boards shape the group's agendas with an eye to the question of what the board can do to advance the ministry's mission and purpose.

Setting a Realistic Course for the Board

Rather than settling too easily for a rigid, narrow definition of their work or, at the other extreme, berating themselves for failing to live up to an idealized view of board performance, board members and ministry CEOs are well advised to ask four key questions:

- How much staff support, time (specifically that of the CEO), and resources can the organization afford to allocate toward supporting the board's work and ongoing development?
- How much time and energy are board members willing and able to give to the ministry? (Another way of asking this is, can a board advance to the co-creator stage of development in two or three meetings a year?)
- What impact does the board election cycle have on the likelihood of the board advancing to the co-creator stage of development?
- Given the board stage at which we find ourselves, how do we maximize the value our board is adding to the organization?

It may be that excelling in the basics is about as much as can realistically be expected of a board given the present situation of the organization or within the board itself. Or it may be that board members are able and willing to assume a deeper, more creative role and that the administration is able and willing to support the board toward that goal.

There is no one right answer or one best way for a board to function. It takes intentionality, open discussion, and a shared determination between board members and the CEO to maximize the board's performance at whatever stage of development it currently finds itself. Continuous improvement is a major part of the board's ongoing responsibility and requires that board members take the time to ask and answer the questions: What results do we want? What kind of structure will yield those results? Then make it happen!