

Governance Brief

A DARC quarterly piece on nonprofit boards

EXAMINING THE BOARD'S PERFORMANCE

How to Build a More Effective Board

A number of naturally occurring events or organization turning points can stimulate attention to the board's performance. These situations invite the board to consider its own contributions to the organization in ways that do not seem forced or artificial. They include any break in routine or event that interrupts business as usual, such as:

- . Issues of board composition, membership, and retention- a sense that the board does not have the right combination of skills or backgrounds;
- . The resignation (or dismissal) of the chief executive;
- . Fundraising pressures- the need to raise capital or launch a campaign or to be more responsive to donors;
- . Dissatisfaction and confrontation with key constituents (for example, withdrawal of a major supporter);
- . Discovery of a violation of trust-a breach of ethics and morality by someone who represents the organization (for example, embezzlement of funds by an officer), Changes in the board's leadership.

Successes also provide occasions for boards to reflect on what happened and how the board contributed to the results. Board members may look beyond mere reaction to external events and consider ways the board might carry out its business more intentionally in the future so as to provide more effective leadership. Whatever the issue, by analyzing its role in the organization's successes or problems, the board can identify lessons that enable it to become more effective in the future.

Even when it is not facing critical turning points, the board can periodically ask its chief executive to talk about some of the major challenges in the coming months. The group can then discuss how it has contributed to the organization's readiness to deal with these matters and how it could prepare itself to provide stronger leadership on them in the future. Thus, the board uses work on substantive challenges to the organization as opportunities to learn how to improve its own performance.

Another opportunity for examination of the board's own performance is in discussions of how the organization is dealing with accountability for its use of resources. Most boards expect the chief executive to report on how staff members are being held accountable, and many boards specify expectations of the chief executive and criteria for assessing that person's performance. Fewer boards, however, apply the same principles to themselves and have clear evidence of how the board itself is being accountable for its use of time and resources.

Developing means for demonstrating the board's own accountability is crucial for modeling the behaviors it expects of others in the organization. Initiating such a process begins with recognizing that the board has a duty of accountability and then engaging in candid discussions of how well it is carrying out this obligation. Intentional examination of the board's commitments and of the ways it will ensure that they are carried out sets the stage for further steps to strengthen individual and group performance. As one experienced board leader advised: "Don't hesitate to ask yourself and others, 'Is this board truly adding as much value to this organization as it could? Could we do better?'" Raising such questions may seem like small beginnings, but numerous boards have found that they are vital first steps toward important changes.

While every member of the board should be concerned about how well the group is doing its job, these concerns must be shared and owned by the full group. The board's leaders are vital to this step, and it usually falls to them to initiate open attention to the board's performance. Boards that take time to examine and reflect upon their own performance together (as a team) can identify useful lessons that will guide them into increased effectiveness as leaders of their organizations.

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