

Governance Brief

A DARC quarterly piece on nonprofit boards

HOW EFFECTIVE BOARDS AD VALUE

-How to Build a More Effective Board

The six competencies of effective boards enable the board to add value to the organization by taking actions and reaching decisions that enhance the organization's long term vitality and quality. Effective boards intentionally cultivate these skills and apply them in a number of ways.

Support the Chief Executive: One basic way effective boards add value to the organization is by helping the chief executive determine what matters most. Working closely with the chief executive, such a board identifies and examines the most significant issues facing the organization and influencing its future. Not every matter is equally important and not all issues can be addressed, so relative priorities must be set. Effective boards concentrate attention on identifying and addressing such matters.

Serve as a Sounding Board: These boards add value by creating opportunities for the chief executive to think aloud about questions and concerns well before it is necessary to come to conclusions or make recommendations. If it is to be of help as a sounding board for the chief executive, candid discussion of embryonic ideas, ambiguous issues, and unclear challenges in the road ahead must be encouraged. Through such unstructured discussions, the board can help the chief executive frame the issue and reflect on the values, alternative directions, and tradeoffs that may eventually lead to a recommendation.

Encourage and Reward Experimentation: Effective boards encourage experimentation, trying out new approaches and alternative ways of dealing with issues. The seeds of change can come from insightful questions that help others "get outside the box" of old assumptions and patterns. Raising critical questions and challenging assumptions stimulate new ideas and creative alternatives for the future of the organization.

Model Effective Behavior: Most importantly, effective boards model the behaviors they desire in others. Boards are appropriately seen as the leaders of the organization, and their decisions are subjected to critical scrutiny by all constituencies. Boards appropriately are concerned about the quality, costs, productivity, and innovation of staff; however, many boards are hesitant to apply the same expectations to themselves. Boards that call for accountability of staff have far greater credibility if they show by example how that is to be done.

Rather than using board meeting time to hear routine reports from every committee, the board can structure its meetings to focus on one or two goals or priorities at each meeting, with discussions led by those groups that have carried out the background preparation.

For changes to outlast individuals and become embedded in the board's culture, there must be some "champions" for the group's performance. In order to build in advocacy for the board itself, members can assign to a group the task of keeping the board reminded of its commitments, monitoring its performance, and periodically recommending actions that will strengthen meeting processes. Better boards have the nominating committee or some other permanent group take responsibility for developing and implementing steps for monitoring board meetings, soliciting participants' assessments and recommendations for improvement, and arranging for periodic board education sessions and retreats on issues of interest.

Many boards expand the duties of the nominating committee to include carrying out periodic assessments of individual and group performance. They use these findings to coach members in expanding their leadership contributions to the board, to identify persons to nominate for additional terms, to identify skills needed in new members, and to plan regular educational sessions in areas the board needed improvement.

An excerpt from RESEARCH IN ACTION, A BoardSource Publication

All Correspondence on this report should be directed to Development Alternatives and Resource Center (DARC)

2A Akin Ademokoya Close, Off Okupe Estate Road, Mende, Maryland, Ikeja, Lagos

Tel: 234 1 4971336, 234 1 4973077, 234 8512678, Cell Phone: 08023060707, E-mail: info@darcnig.org