

Boardroom Bearings

Navigating to Board Excellence

June 6, 2014



Board Development Step 8: ROTATE

"She's burned out." "He's deadwood." "They're checked out." "We need new blood."

These common (but somewhat gruesome!) figures of speech signal a board that is not engaged.

This month's feature article is about ROTATING board assignments to keep members engaged and about making space on the board for new members.

Rotate board assignments to keep board work interesting

After a while in the same role, anyone can become bored or lose their curiosity and motivation. Here are some ways to keep board work interesting:

- Invite members to take on new assignments by serving on an ad hoc task group or working on a different committee.
- Intentionally use committee chairmanships for leadership development; create a board culture where the same person does not serve in the same chairmanship year-after-year.
- Consider assigning board members to represent the organization on civic committees or advisory councils outside the organization.
- Ask board members to represent the organization at festivals or exhibits.
- Provide materials and training so board members can make radio or TV appearances on specific issues.
- Stimulate learning and strengthen intellectual muscles by scheduling educational content at board meetings. See the [March 2014](#) issue of *Boardroom Bearings* for more information about board education.
- Invite board members to make presentations on topics of interest and relevancy such as reviewing an article

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About Boardroom Bearings

they have read, reporting on the pros and cons of a thorny issue, or summarizing information gleaned at a conference.



Rotate board members to make space for new people

Yes, arguments are sometimes made in support of an individual serving on a board for 10, 20, or even 30 years. Two of the most common are, "If he goes off the board, we will lose our institutional memory" and "If she goes off the board, she will take her money with her." Boards with no term limits are in the minority -- 27% according to the 2012 BoardSource Governance Index. "Term limit" is the maximum number of consecutive terms a board member can serve; "term length" is the number of years in a single term).

The other 73% of boards, however, have term limits that are prescribed by bylaws, policy, or practice. The most common structure is two consecutive 3-year terms; the second most common structure is three consecutive 3-year terms.

Term limits provide for a steady rotation of people into and out of board service. The governance committee (or nominating committee) is responsible for finding and preparing new board members and rotating current board members off the board when they have served their allowable number of terms, when they are ineffective or inactive, or when new skills and perspectives are needed. The governance committee is responsible for diverse board composition.



See the [October 2013](#) issue of *Boardroom Bearings* for information on the value of diversity. And if your organization is interested in United Way funding, see Mike Hennessy's comments about board rotation in the next article!



Thoughts from the perspective of a United Way leader: part two

This article wraps up an interview with Mike Hennessy, President and CEO of the United Way of Will County, IL. In the previous issue of *Boardroom Bearings*, Mike answered four questions posed by readers. Now he answers four questions posed by Katheryn Wiedman, writer of this newsletter.

What is your basic philosophy of board service?

Mike said that first and foremost a board member must believe in the organization's mission and be willing to bring in resources. "Giving time is fine" he said, "but you must make your own gift before you can ask others to give." Mike said he subscribes to the "3-Gs" of board service: Give, Get, or Get off.

What governance practices does United Way's Programs and Allocations Committee look at most closely?

When evaluating organizations, the United Way checks to see if the board operates according to their bylaws, adequately represents the service area geographically, and includes racial and ethnic diversity. United Way also considers the degree to which the board renews itself through term limits and rotation, the subject of the first article in this newsletter. "When a board roster has not changed for years and years, we start to wonder," Mike said.

What trends do you see developing that nonprofits should be watching?

"Consolidations and partnerships," Mike said, "There are over 2,400 501.c.3 organizations in Will County." Mike regularly fields phone calls about starting a nonprofit, but first people need to examine existing organizations that are doing the same work. The United Way often acts as a neutral convener of groups and organizations that want to explore consolidation and has been very active in forming local collaborations such as the Joliet Alliance for Youth.

If you could give grant seekers three pointers, what would they be?

Mike's pointers included avoiding duplication of services to the same people in the same geographical area; demonstrating that you are a sustainable organization; not working in isolation from other organizations; and participating in networks such as SWSPN (South West Suburban Philanthropic Network) and the Community Services Council.

He said that organizations lose United Way funding when they are unable to measure the impact of their programs/services and show results. He emphasized that the United Way funds programs, not agencies, capital projects, equipment, or administrative costs.

Many thanks to Mike for sharing his time and deep experience with readers of Boardroom Bearings!

New infographic on nonprofit salaries and benefits

From the Nonprofit Times, here's a new [infographic](#) on salaries and benefits.

The report shows human service nonprofits had the lowest compensation cost in 2014 (\$46,823) and international/foreign affairs organizations with the highest (\$60,136).

Salary increases in 2013 were greatest for arts, culture, and humanities organizations (3.71%) and lowest for environment and animal organizations (1.85%).



Organizations looking for benefits that might soften the blow of low salaries should look at the bottom third of the infographic which displays 32 different benefits, with flextime being the most frequently offered – by 51.52 % of organizations responding to the survey.

9 attributes of effective nonprofit governance

In a recent governance webinar hosted by the *Stanford Social Innovation Review*, presenters William F. Meehan III and Kim Jonker made the observation that "Most nonprofit boards are ineffective." Reasons for that ineffectiveness include:

- Vague, flawed, unfocused mission
- Board members hand-picked by the founder or executive director
- Committee reports prepared by staff
- Mediocre governance that leads to bad decisions.

The presenters then discussed nine attributes of effective nonprofit governance:

1. An aspirational mission with understanding and commitment
2. Explicit goals, strategies, and plans to achieve mission
3. Board's roles and responsibilities in achieving mission explicit and well understood
4. Sound, objective process for evaluating the executive director
5. Small group of committed and cohesive leaders
6. Appropriate size/composition of members to provide necessary skills, perspective, and financial support
7. Well-defined processes/structure for handling key decisions/responsibilities
8. Board members view their time as well spent
9. Board engaged in the substance of the organization.

If you would like to have the slide set, please send your request to Katheryn Wiedman, kdw@centerpointinstitute.com.

Question of the Month



Q: Should senior staff attend board meetings?

A: This question is related to the previous Question of the Month: "Should staff serve on the board?" The answer to that question was that the only staff who should serve on the board is the chief executive. While not universally the case, the chief executive

usually is an ex-officio, non-voting member of the board.

As for whether it is a good idea for senior staff to attend board meetings (i.e. not SERVE on the board as the chief executive does): generally speaking, yes, it is. Many organizations find benefits in staff being present at board meetings, as long as it is clear that they do not vote and do not try to join in board deliberations. To emphasize their role, they should sit at the perimeter of the board room -- not at the board table. This physical separation reinforces the role distinctions.

Some of the benefits of staff attending board meetings include:

- Staff gain a deeper understanding of the board's approach to decisions affecting the organization;
- Having staff available to answer questions (when asked by the executive);
- Reducing the mystery about the governance of the organization.

Re-cap

Since choosing board members has powerful implications for the future effectiveness of the board and the success of the organization, we are running a 9-part series on building an effective board of directors. The seven steps discussed so far are IDENTIFY, CULTIVATE, RECRUIT, ORIENT, INVOLVE, EDUCATE, AND EVALUATE. [Previous newsletters may be accessed here.](#)

Boardroom Bearings...

...is written by Katheryn Wiedman, Ph.D, a BoardSource Certified Governance Trainer at Centerpoint Institute. You may reach her at kdw@centerpointinstitute.com or at 815-545-1300.

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Centerpoint Institute | 2419 Suffolk Lane | Joliet | IL | 60433