You Asked Us...

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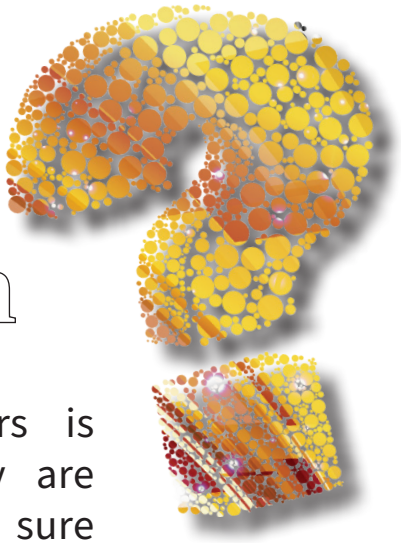
This issue features a panel discussion on recruiting board members. Our panelists this issue are Richard Stringham, Jannice Moore and Ted Hull. All are consultants with The Governance Coach™; the panel is moderated by Rose Mercier.

Jannice Moore
President

Richard Stringham
Senior Consultant

Rose Mercier
Senior Consultant

Ted Hull
Consultant



The Question

"Finding new board members is challenging. Especially if they are elected or appointed, we're not sure what our role should be. How can the board plan for succession?"

MODERATOR:

If board members are elected or appointed by someone beyond the board, shouldn't the board just let persons voting or appointing make their decisions regarding who should be elected/appointed to the board without any interference from the board?

TED: You've raised a valid concern. If as a board you become involved in electing your own members, doesn't that defeat or at least compromise the democratic process? Let me try to answer your question this way: your board should not be determining who is elected or appointed, but it needs to have input into what kind of person is elected or appointed. For example, a board should be made up of people who reflect the demographic of the larger ownership. Your current board may be comprised mainly of a certain ethnicity, gender or age demographic that is much different than the larger ownership. That is why you want to make sure that those who are electing new members or part of a nomination committee are aware of that and specifically looking to identify people who will reflect the larger ownership.

RICHARD: I agree, diversity at the board table is critical. If everyone thinks alike and operates from much the same life experiences, the board misses the opportunity to view issues from multiple perspectives.

Jan: In addition to characteristics regarding diversity Ted and Richard have identified, I think it's really important for electors to understand that what the board needs is members who have an interest in governing – providing clear direction and oversight – rather than in managing day to day operational details. Many electors don't understand that governance and management are completely different tasks. So, the characteristics I believe Richard will discuss later are important for electors to be aware of.

Ted: The situation is similar if your board members are appointed. Your board may not have control over who is appointed, but the appointing authority should be aware of what you are seeking.

I am not suggesting that the board has people who exclusively represent a certain element of the larger ownership; considering only their perspectives to the exclusion of all others. However, you want to have people who are aware of the interests of a particular demographic that can inform the board of those interests, while at the same time understanding that they serve on behalf of all the owners.

Richard: One of the pitfalls I see in this area is when a board decides that it needs to have every perspective represented on the board. Too often that leads to boards that are much too large. It helps to remember that the board's job is to link with its ownership to better understand the owners' values.

Jan: I'd point out that reflecting the demographic is not the same as insisting the board be proportionally representative, as in trying for a quota of each ethnicity or gender, for example. That results in several real dangers: assuming that with such a composition the board doesn't need to hear from anyone else, and simply pigeon-holing people into "representing" a particular segment of the population instead of understanding their role, as the role of every board member, is to make decisions on behalf of the entire ownership.

Once again, I'd emphasize that, just as for elected board members, appointing authorities also need to be aware you are looking for members that will seek to govern, rather than to manage.

Ted: The board has a responsibility to provide this information so that when people are invited to consider letting their name stand, they understand why and the board can do an even better job of governing on behalf of its owners.

Moderator:

How should a board know which characteristics to look for?

Richard: As with any job, start by examining the responsibilities of the position. If the board uses Policy Governance®, one of the board's governance responsibilities includes linking with the owners, which requires skills to craft ownership questions and to analyze the results when input is received.

A second job is to craft policies in the four categories when using Policy Governance. For example, when it is developing Ends policies, the board needs people that can imagine potential futures so it can determine a preferred future. For creating Executive Limitations policies, the board needs people who can examine risk from the 30,000-foot level rather than focusing on minutiae.

Finally, the board must monitor CEO performance. Critical thinking skills will be needed to ensure rigorous monitoring. These are only some of the characteristics sought in board members. To do justice to finding the most appropriate mix, the board will need to develop a more comprehensive list. It is unlikely that anyone will have all the skills the board desires. For example, not everyone needs to be a big-picture thinker, but you'll want enough of those on the board to ensure the ability to think big is well covered. One approach is to build a matrix to ensure that the desired characteristics are covered. We have a great tool for this: the Best-Fit Board Member Matrix™.

Ted: There will be times when someone you thought would be a good board member, just won't be a good fit. That's okay. They can't get enough altitude to get out of the weeds of administration, never mind getting to 30,000 feet. And that's okay. Forcing someone into a role they just don't have the proclivity or personality for will be frustrating to them and to the rest of the board.

Jan: I agree with Richard that all of those characteristics are important to have on your board. Another thing to

consider is whether there are some characteristics that are "deal breakers." For example, even if a candidate for the board was a big picture thinker, had great professional credentials, but didn't really care very much about the purpose of your organization, would you really want that person on the board? What if they were noted for not being a team player? The characteristics that matter to your board will vary, but be sure to consider characteristics so important to you that lack of them, or their presence, if undesirable, would rule out otherwise desirable candidates.

The Best-Fit Board Member Matrix™ is to use when your board is recruiting new candidates for membership. It provides a simple method for your board to compare candidates based on your own customized criteria. It provides a listing and description of characteristics to consider when recruiting and selecting board members.

This tool allows your board to add or delete specific characteristics that are important to you, and also to determine as a board the relative importance of each characteristic. It is available to you in a downloadable format.

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Moderator:

We hear from many boards that they have a difficult time getting people to serve. They're afraid that if they start scrutinizing potential candidates, they'll chase them away.

Jan: I suggest thinking about two things here. First, we need to remember that being a board member is an important responsibility. If the board doesn't do its job well, the entire organization suffers. Being on a board also carries legal accountabilities. Would you really want to be part of a board that basically accepts anyone who can walk and chew gum at the same time? Do you want to be held legally accountable for the decisions of a board that does not have well-qualified members? I certainly wouldn't be interested.

Ted: Yes, I agree with Jan that you certainly don't want people on your board who have not been carefully considered based on the characteristics you need on the board. If walking and chewing gum at the same time were the only characteristics, don't be surprised when that is all they contribute. And don't be upset if, upon their arrival, they provide input that is not governance related or worse yet is counter to what they should be contributing. Candidates should know what is expected of them and what they can expect before they come on the board. That way they will not be surprised by the ongoing expectations of the board. Also, don't get caught up just trying to find people who have had a lot of board experience. Sometimes it is preferable to find those who are excited about the organization overall and are ready to learn how they can contribute as a good board member.

Jan: I've also observed and experienced that a board made up of committed people who have the characteristics that enable them to govern well, that has well laid-out expectations for board members, particularly if it is using a cohesive approach to governing, such as Policy Governance, acts like a magnet in attracting well-qualified people. They want to be part of that kind of board. It

is engaging. It is stimulating. It is making a difference. As an aside, potential candidates who do not meet your criteria for board members might make excellent volunteers. Often these are people who want to be involved in operations, rather than governing. If your organization uses volunteers, it would be worthwhile to let your CEO know about them.

"Raw material makes a difference. [The board] should start with a well-deliberated set of qualifications."
John Carver

Richard: When recruiting volunteers, I find that I'm more successful when I can tell an individual specifically why I'm approaching them for the position. For example: "Susan, we're looking for someone who is both a 'big picture' thinker and a critical thinker as well as someone who listens well to other perspectives, particularly, the general public. When we asked our friends and associates who would fit that bill, your name came up several times. A few of them mentioned your work on the Community Revitalization Project where you helped members of the public feel engaged while building a vision for the future." Any candidate worth her salt will recognize empty platitudes. But by being specific, you let that person know that you have thought about the position and why that person is a good fit. Add to that honest information about the commitment to the organization, the time required both in and out of meetings, as well as the benefits of being a board member, and the chances of success increase markedly. This may be different than the way that you were recruited and it certainly requires some thoughtful preparations. At the same time, your legacy should be recruiting quality board members to carry the torch.

"If the board doesn't do its job well, the entire organization suffers."

The Best Fit Board Builder™ will assist your board in assessing new candidates for your board. This tool provides a "bank" of interview questions related to the board member characteristics you selected as most important for your board members to possess. (We recommend using the Best-Fit Board Member Matrix™ to determine these characteristics).

Rather than focusing on "hard" skills such as financial literacy and business experience, this tool provides questions to assess characteristics such as passion for the mission, systems perspective, critical thinking, and ability to function as an effective member of the board team, which are not commonly found in interview tools. The Best-Fit Board Builder™ is available in a downloadable format and includes a Word Format document that allows you to easily select specific questions and create a custom interview and scoring guide for them.

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Please email us at info@governancecoach.com with your question(s).

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