

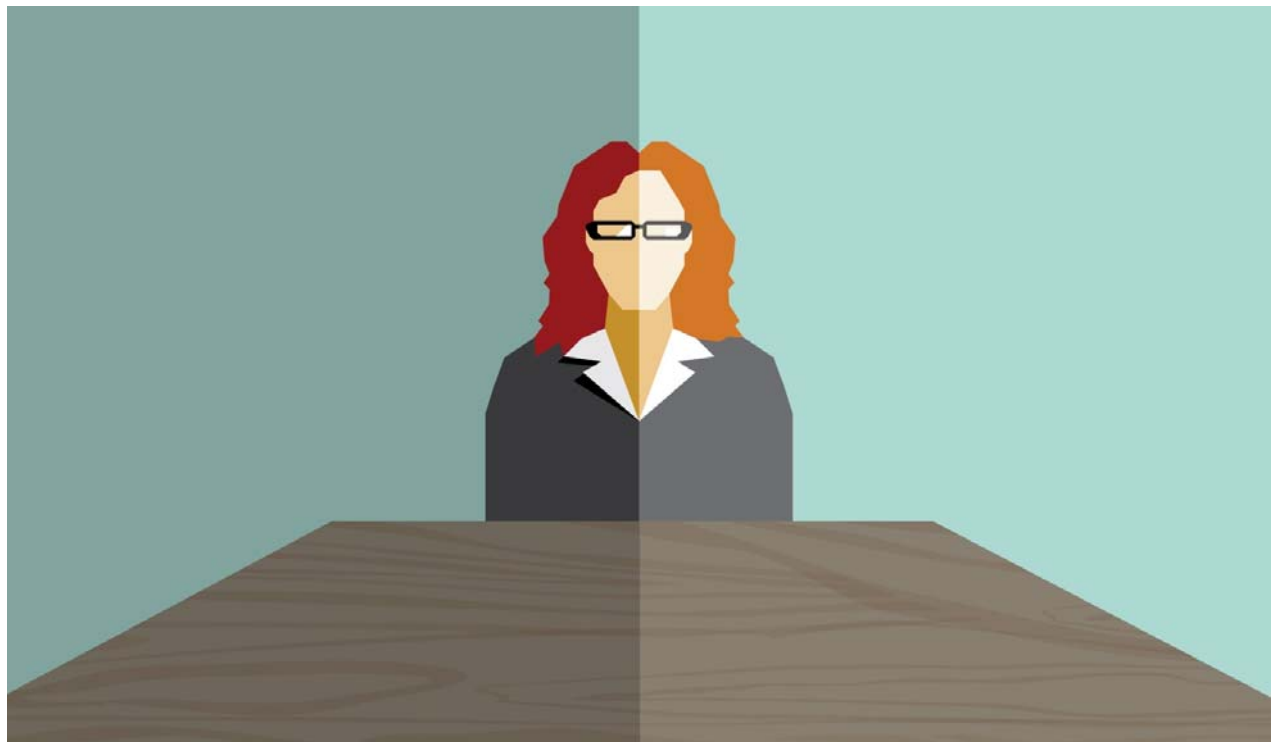
Organizational Behavior, Leadership, Nonprofit

How to Be a Better Nonprofit Board Member

Apply the fundamentals of corporate governance to charitable work.

July 10, 2015 | by [Bill Meehan](#) and Kim Starkey Jonker

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The importance of the nonprofit sector has never been greater. In the United States, there are several hundred thousand 501(c)(3)'s that provide much of our health care, education, performing arts, and social services. In this environment, executives face pressure to fundraise and grow while leveraging technology, with few new proven business models to help.

Meanwhile, volunteer nonprofit board leaders, who are often unsure how to leverage their skills and contribute their leadership, often struggle with how they and their board colleagues can be most effective.

An old Sicilian proverb says, "Fish rot from the head." Many nonprofits are rotting from a lack of leadership at their heads: their boards of directors.

Basic rules and ideas that are obvious and commonsense duties of directors — evaluating staff and impact, becoming deeply familiar with the operations of the nonprofit, and recruiting — are not widely practiced.

Recent research by lecturer [William F. Meehan III](#), Stanford GSB professor [David F. Larcker](#), lecturer [Nicholas Donatiello](#), and researcher [Brian Tayan](#) confirmed that many nonprofit boards have serious challenges. A survey of 924 nonprofit directors found that:

- 27% of board members don't think their colleagues have a strong understanding of the mission and strategy.
- 65% don't think their board is very experienced, and about half don't think their colleagues are very engaged in their work.
- 46% have little or no confidence that the performance data they review accurately measures the success of their organizations.

At their best, boards of directors help organizations to head down the right strategic path — to make good choices about program areas and geographic locations, and recruit skilled executive directors and get rid of bad ones. Weak board governance, on the other hand, keeps nonprofits from reaching their full potential and ultimately may even cause a nonprofit to struggle and die.

Good directors need do only a few things to help a nonprofit become much better, but they

have to do them bravely, rigorously, and consistently. Here are some suggestions:

Ensure the Mission Is Focused and Well Understood

Too often, a nonprofit's mission is too broad and/or unachievable, like “ending world hunger” or “breaking the cycle of poverty.” Narrow your mission's focus to fit the skills and resources you have or might have.

The mission also must be understood and embraced by the board, management, and other key stakeholders. We invariably find an underperforming nonprofit has a mission that is not well understood or understandable — including and especially by the board.

Ask Stupid Questions, until You Figure out the Smart Ones

It's shocking how difficult this one is for many people, because it goes against human nature. We don't like to look stupid in front of our peers, and for many people, serving on nonprofit boards is a way of networking with peers.

If board members don't engage directly and deeply in the substantive work of an organization, then board meetings degenerate into staff-driven, pre-baked exercises. Most board members, of course, are bright people with a wealth of experience. But they often lack expertise in the day-to-day work of the organization on whose board they sit.

Make Field Visits

To be truly effective, members of a nonprofit board must engage directly and deeply, and this often includes traveling to the field. Take [Helen Keller International](#) ↗, recipient of the 2014 Kravis Prize, which honors leadership in the nonprofit sector. “HKI is somewhat unusual in that we required our board members to visit our programs in Africa and Asia at least once every three years,” Kathy Spahn, CEO, explains. “They learn that dispensing a Vitamin A capsule is not as simple as it sounds!”

Insist on Impact Evaluations

There is a sector-wide virus of too little evaluation, and boards are largely to blame because they allow and enable nonprofits to operate without impact evaluations. Boards must insist on impact evaluations (and funders, by the way, must be more willing to pay for them). If a nonprofit can't demonstrate that programs work, why should anyone provide funding? Complaints by executive directors about an excessive focus on evaluation are largely a smoke screen, and board members should recognize them as such.

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This should also include an evaluation of the leader of the nonprofit. Many boards of directors neglect this most basic responsibility, especially when a powerful, passionate founder is serving as executive director. We suggest a fairly simple evaluation process. At the end of the year, the board chair plus

one or two others should agree on the goals for the organization over the next year. Then at the end of the following year, there should be a discussion with the chairman and the executive director about which goals have been achieved. Second, these goal-setting efforts should be tied to compensation and performance evaluation.

Develop a Succession Plan

Part of your job as board member is also to ensure a succession plan. Start early; even 10 years or more is not too long when it comes to a leadership transition. At Landesa, a nonprofit focused on land rights for the world’s rural poor, leaders identified Tim Hanstad as the future replacement for founder and chief executive Roy Prosterman in 1992 — but Hanstad didn’t officially become president and CEO until 2005. During the intervening 13 years, Hanstad served as executive director.

Recruit the Board Members That the Organization Needs

This is the *sine qua non*: Every nonprofit board needs a small group of highly committed and cohesive leaders. If there is a board of 12 to 15 people, then the organization needs two to three seriously engaged, talented members spending most of their time and generosity focused on the organization. These people get the lion’s share of the work done.

As for the overall size of the board, there’s no particular number that is perfect. Look for at least one, and maybe two or three, of the 3 W’s: the ability to contribute work (time, energy, advice), special knowledge or skills that translate to wisdom, or wealth.

Regarding wealth: While financial generosity is important, not everyone on a nonprofit board should be a person of financial means. Nonprofits need to represent the diverse aspects of society.

If you have asked or volunteered to serve on a nonprofit board, chances are good that you know the fundamentals of governance from work elsewhere. Bring them into your work as a board member; they will lay the foundation for the kinds of innovation and scaling up that can solve the world's problems. But innovation and growth come after the fundamentals of good governance.

William F. Meehan III is the Lafayette Partners Lecturer in Management at Stanford GSB. He is working on a book, Fundamentals, Not Fads: Enduring Lessons of Nonprofit Management, with Kim Starkey Jonker, executive director of the Henry R. Kravis Prize in Nonprofit Leadership.
