

BOARDS

The Sorry State of Nonprofit Boards

FROM THE SEPTEMBER 2015 ISSUE

Nonprofit directors often fall short in terms of knowledge and experience, and their boards as a whole need more-rigorous planning and procedures. Those are among the conclusions of Stanford researchers who recently surveyed 924 nonprofit directors. Some specific findings:

Directors Lack Critical Skills

27%

Directors who say that fellow board members lack a strong understanding of the organization's mission and strategy

32%

Directors who are not satisfied with the board's ability to evaluate the organization's performance

Boards Lack Formal Processes

42%

Boards without an audit committee

69%

Boards without a succession plan for the CEO or the executive director

Fundraising Is Over-Emphasized

90%

In organizations that require directors to fundraise, board members who say that task is at least as important as their other duties

42%

In organizations that require directors to donate, boards with a “give or get” (donate or raise) minimum

Upheaval Is Common

69%

Organizations that have experienced at least one serious governance problem in the past decade

23%

Boards that have asked the executive director to leave or have faced his or her unexpected resignation

SOURCE: “2015 SURVEY ON BOARD OF DIRECTORS OF NONPROFIT ORGANIZATIONS,” BY DAVID F. LARCKER, WILLIAM F. MEEHAN III, NICHOLAS DONATIELLO, AND BRIAN TAYAN

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