

RECRUIT THE RIGHT BOARD



Research-based strategies
for good governance.

By Megan Toal
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Will Brown, PhD, and Mark Engle, DM, FASAE CAE, both work closely with nonprofit associations; the former as director of the Center for Nonprofits and Philanthropy at Texas A&M's Bush School of Government and Public Service, and the latter as a principal and board governance consultant at Association Management Center. Noticing that there were very few relevant and up-to-date resources for boards to use, Brown and Engle conducted research for the ASAE Foundation on boards with a full spectrum of competencies. Their research and observations from working with boards pointed to the same conclusion: While high-performing boards shared certain common characteristics, struggling organizations usually did not have optimized boards or a clear sense of strategic direction. As a result, Brown and Engle created "Recruit the Right Board: Proven Processes for

Selecting Critical Competencies” as a resource for current and aspiring association board members. In turn, they are shaping the landscape of board orientation and capability.

In this interview, Brown and Engle provide insights into their research, processes and the essentiality of “Recruit the Right Board.” As many decisions are made in the board room, processes are often stunted or bad decisions are made due to poor practices such as a lack of trust, dominating conversations and voting in favor of doing things as they have always been done. Through their research and in offering “Recruit the Right Board” as a guide, Brown and Engle disrupt and redirect unhealthy cycles in the board room to get boards on the right track and encourage competent board nominations to ensure that association processes and decisions are cultivated by the right hands.

FORUM: In “Recruit the Right Board,” you focus on/discuss exemplary boards that are models for others, and boards that need optimization that you use for your case studies. How did you choose the boards for your study?

Brown: There were several processes for selecting the associations to work with. Mark has a lot of relationships with people who he knew needed help in recruitment selection. He has observed and identified which boards are outstanding. The main question we asked ourselves was, “Are these boards exemplary?”

We wanted a variety of boards as our samples: trade, health-care, national, international, regional and state-based associations. When it came down to it, we had two categories of these boards: the majority group of boards with comprehensive processes and the minority group who do unique things in that model.

Engle: We asked our network of lawyers and consultants to name some organizations that have advanced the makeup of their boards in significant ways. We then vetted the list through questionnaires and ultimately screening calls. The research team ensured we had a balance of trade and professional; state, national and international; various industry; and profession domains. The case studies were not qualified as high-performing. The quantitative analysis did use a marker to determine high-performing boards based on a set of responses to key board functions as identified by BoardSource prior research.

FORUM: What are the characteristics of some of the exemplary boards that you highlight in “Recruit the Right Board” as case studies?

Engle: The boards we found to be instrumental in our research had common trends of transparency, diversity,

cultivation, anticipatory behavior and identifying core competencies. While facing board election and re-election cycles, these associations would look at their strategic plan, identify which competencies already existed on the board to help achieve the strategic plan and then actively seek out nominees to fill the gaps. Then the associations would communicate which core competencies were required for the board selection process, helping minimize the potential for incompetent candidates as well as empowering more competent candidates to apply. The associations would also ascertain that the process was transparent, not nebulous, and would seek out more diversity in the nominees to account for desired competencies as well as assure a more accurate representation of the association members. Finally, the associations had a leadership development committee that would recruit, develop and orient leaders, as well as create succession plans. These boards focus on both the current and future needs of their associations.

FORUM: “Recruit the Right Board” builds on your previous groundbreaking ASAE Foundation governance research. What makes the research groundbreaking?

Engle: One fundamental shift we outline is the shift to noncompetitive elections for leadership and why. As associations compete in a new environment, the old methodology for selecting leadership may not serve the organization well for the future. AMC Consulting Services does considerable work with medical and legal associations. The competition for members and attendees in medical societies and bar associations has increased from private enterprise, institutions and other nonprofit organizations. No longer do these associations “own the field” for education and community.

The skillsets we need in the board room to advance programming and initiatives for the field today are very different than they were 5 and 10 years ago. Both the case studies and the samples are particularly valuable in the book.

FORUM: Can you elaborate further on why board effectiveness is so important? What downsides do you see of ineffective boards?

Brown: Board effectiveness is important because the functions of governance (oversight, strategy and support) facilitate or inhibit an executive’s ability to operate the association. Providing good insight and guidance for the future of an association is incredibly valuable for managers. Similarly, facilitating healthy external relationships can mitigate barriers that executives might confront. The legitimacy of board members can be quite influential among key stakeholders, and the process of getting good people only builds that legitimacy and informs the decisions that they make.

12 SIGNIFICANT AND EMPIRICAL COMPETENCIES IN BOARD MEMBERS:

- > Team Oriented
- > Communicative
- > Relational
- > Influential
- > Reputable
- > Strategic



- Innovative <
- Committed <
- High Integrity <
- Capacity to Grow <
- Knowledgeable <
- Experienced <

FORUM: Why is this research necessary for association professionals? Rather, what information void does it fill?

Brown: Having a good group of people who can serve, govern and fulfill those responsibilities and functions, irrespective of your industry, makes a difference for how these organizations work. It's about having the right people in the room to make decisions and facilitate a process to guide the organization on a strategic level, and this idea of stewardship and leadership at the board level is particularly pressing in associations and everywhere. If we don't have these people, it can create a number of issues and challenges. Before this study, we hadn't articulated the procedures and operations of how you build this stuff out. In this space, in this topic, this is the first taxonomy of its kind, and so it has a high value proposition.

FORUM: If an association's board is not performing well, where is the first place they should start?

Engle: They should consider a board self-assessment to identify where they are not performing well and use the evaluation matrix in the book to determine if they have the right competencies and experience/demographics represented in the room to advance decision making for the organization.

FORUM: If you had to choose one key takeaway from this book, what would it be?

Engle: My one takeaway is that there is so much you can do to optimize your organization when you answer these questions: Can your organization make decisions as fast as the marketplace or profession in which you serve? Is your board made up of individuals capable of advancing key decisions in a timely manner that balances opportunity with risk?

FORUM: What are your predictions for the future of board governance, based on your research?

Brown: I honestly don't see much shift in the way organizations think about governance. Boards are inherently a risk-averse

structure (see Joern Hoppmann's article "Boards as a Source of Inertia" in the Academy of Management Journal 62(2): 437-468). The boards tend not to be open to shifts in structures, and structures are fairly homogeneous. Boards in one organization act and are structured a lot like boards in other organizations. Don't get me wrong, there are variations in every group of board members. Each have their own nuances and organizations have unique histories. Furthermore, we (experts) often give advice that seeks conformity and alignment with "best" practices. Most board members are unwilling to accept major structural changes or modifications. So, what is my prediction? More of the same, well-intentioned individuals trying to make sense of complex opportunities and challenges with limited time and often limited information.

Engle: Our research also supports Will's comment. A big concern we are seeing is boards' lack of capacity to change their decision-making model in order to operate in a heavily competitive market. Outdated governance models do not support the capability to make real-time decisions to take advantage of market opportunities and respond to threats in an appropriate window of time. Many models value "structure over substance," seek broad input to inform decisions, and seek tight or small bodies to make decisions. 📱

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