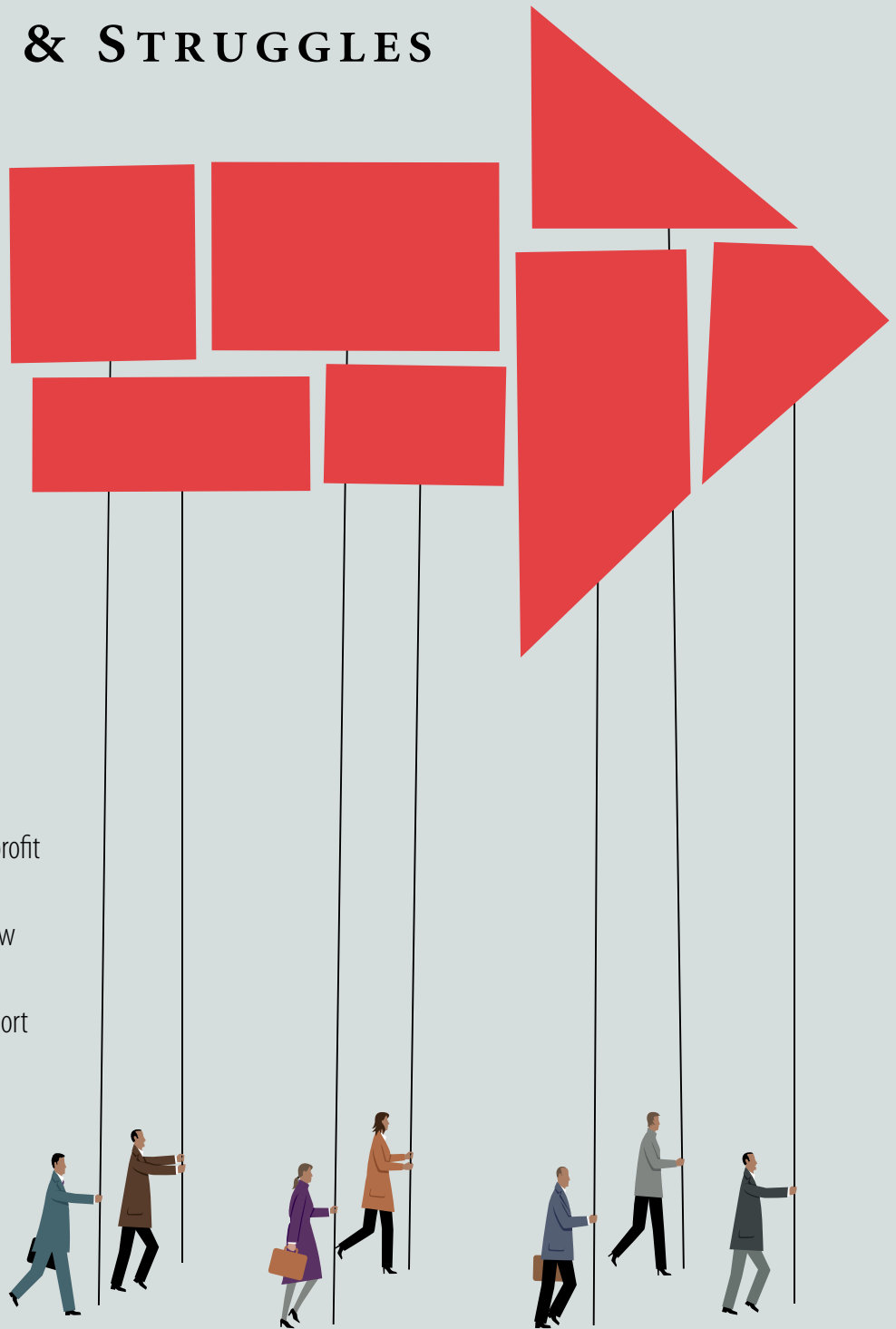


HEIDRICK & STRUGGLES

A survey of association and nonprofit board members explores what motivates directors to serve, how directors view their roles, and how the organizations they support can improve their experience.



Association and Nonprofit Boards: Maximizing Effective Service

HEIDRICK & STRUGGLES



Project team

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Foreword

As we noted in last year's survey results report, *Association CEOs: Leading through Change*, the management of trade and professional organizations is evolving. Just as the expectations of association CEOs have been rising, so too have the responsibilities and demands on association and nonprofit board members. These individuals serve not for monetary gain but because they want to make a difference in their industry, community, and society.

But how has board participation evolved as society continues to change around us?

This new survey builds on our previous research on association management, widening the lens to look at the broader picture of influential associations as well as nonprofits in a variety of industries. We surveyed more than 500 board members of industry trade associations, professional societies, charitable causes, religious orders, fraternal organizations, and local civic organizations across North America to get an insider's perspective on what actually happens in the boardrooms of these vital organizations.

As the lead researcher, I would like to thank those very busy and influential women and men who took valuable time from their schedules to participate. I would also like to thank Julian Ha, Bill Hudson, and the entire team at Heidrick & Struggles. Their support, encouragement, and expertise were instrumental in turning this research into reality.

I hope those reading this report will find it helpful as a road map for more effective and efficient enterprises. I believe it will further improve the leadership of this important sector.

Dr. David K. Rehr

Professor

Antonin Scalia Law School,
George Mason University

Introduction

This country would not be what it is without the volunteer spirit of its people. At the highest level, associations and nonprofits, run by their executive teams and boards of directors, are focused on valuable missions—striving to better society as a whole, expanding economic opportunities, eliminating crippling diseases, providing for those who cannot provide for themselves, and offering education and development opportunities to their constituencies, among other undertakings. According to the American Society of Association Executives, more than 66,000 associations—including both professional societies and trade organizations—operate in the United States.¹ And according to the National Center for Charitable Statistics, the United States is home to more than 1.5 million nonprofits, including public charities, private foundations, chambers of commerce, fraternal organizations, and civic leagues, to name a few.²

This report seeks to provide unique insights into the boardrooms of both associations (for which approximately three-fourths of our survey respondents serve on the board) and nonprofits (for which the remaining one-fourth of respondents serve). This survey offers insights into the following areas:

- Typical tenure, demographics, and organizational profile of association and nonprofit board members
- Reasons why people serve on association and nonprofit boards
- Types of general improvements that association and nonprofit executive teams could make when it comes to preparing, informing, and involving their board

We found several bright spots—as well as a few areas that require leadership attention. Notably, our survey respondents said their board experience has been positive and a valuable use of their time. However, the onboarding process for board members appears to be a key area for improvement. The current tendency toward informal and inconsistent processes could be hampering the effectiveness of new board members and the appeal of board service overall. Respondents also indicated that gender diversity needs improvement.

The following pages offer a glimpse into the experiences of today's association and nonprofit board members—from how (and how often) they want to receive information to how many boards they serve on to the ways they approach tough decisions. We hope our findings help board members get the most out of their service, allowing them to harness their leadership abilities and influence as directors, and thereby help their organizations to live up to their full potential.

¹ An association is defined as “a group of people banded together for a purpose.” For more, see *The Power of Associations: An Objective Snapshot of the U.S. Association Community*, The Center for Association Leadership, updated January 2015, thepowerofa.org.

² “Quick facts about nonprofits,” National Center for Charitable Statistics, accessed July 2017, nccs.urban.org.

About the research

The research consisted of four stages: development of the survey, refinement of survey questions, execution to ensure a statistically significant response rate, and data analysis.

Questions and topics were drawn from issues initially raised at a 2017 luncheon conversation with CEOs who are members of the Heidrick & Struggles Association Leadership Council. We then surveyed available literature on association board best practices. After we constructed the survey, we asked a small subsample of prominent association CEOs and members of association and nonprofit boards of directors for feedback and suggestions on the survey to ensure clarity and eliminate issues tangential to the focus of the research.

Our survey targets and participants were drawn from a randomly generated sample of individuals serving on a board of directors provided by Leadership Directories, Heidrick & Struggles, and Dr. David K. Rehr. The total sample size was 5,591. Of the potential respondents, 509 completed the survey, which yields a margin of error of +/- 4.14. The demographics of this response group, including gender, age, number of board members, and revenue of the association (see pp. 5–9), are an excellent example of the larger community of individuals who serve on association and nonprofit boards of directors.

All survey links were individualized so no person could take the survey more than once. The survey was conducted via e-mail from January 19, 2017, to February 28, 2017.

Qualitative research

In addition to the quantitative questions that constituted the bulk of the survey, a series of open-ended questions gave respondents the opportunity to offer more detail on their insights and experiences. These answers generally do not offer statistical significance but rather board members' practical insights based on various stages of their board experience. A number of these answers have been included in this report to provide deeper context on what board members are thinking.

Secondary research

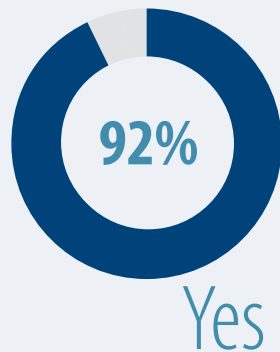
We have provided additional data points throughout the report to allow for a better understanding of the context of the research and to generate reader insights.

Overall survey demographics

Question:

Do you feel that your board service is a good use of your professional time?

n = 395



Nonprofit and association board members spend an average of

172 hours

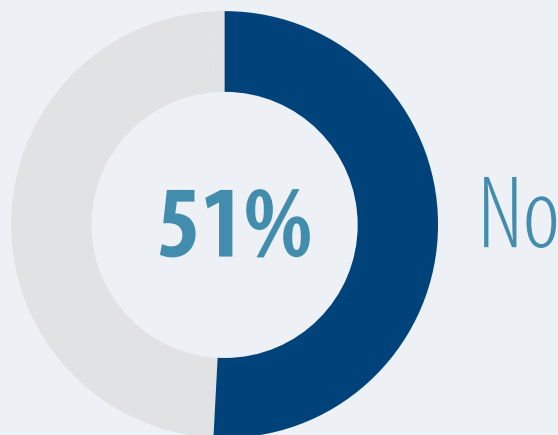
per year in service.



Question:

Was a financial contribution expected (i.e., voluntary political action committee contribution or sponsorship) as part of your board of directors service beyond regular duties or other membership contribution?

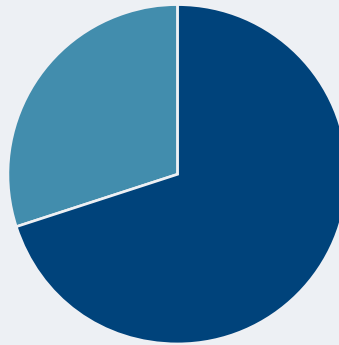
n = 412



Question:

What is your gender?

n = 388



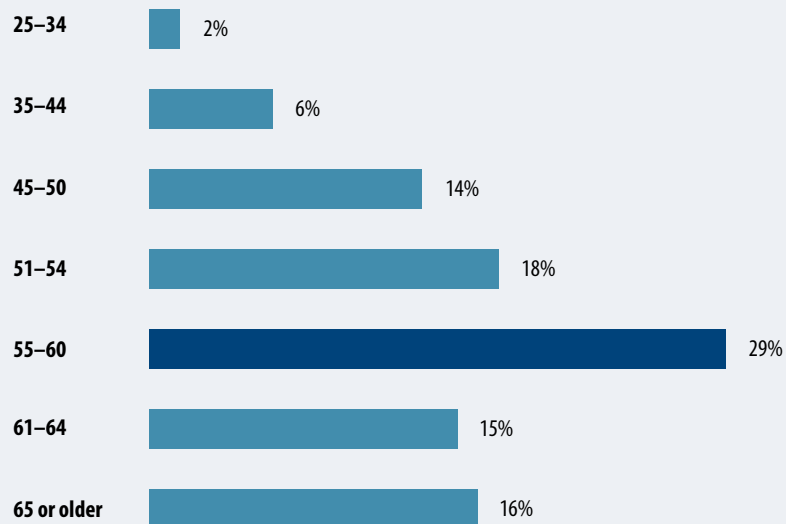
30% Female 

70% Male 

Question:

What is your age?

n = 388

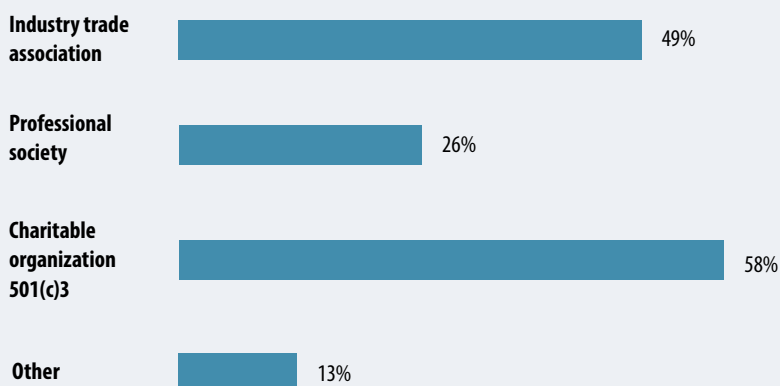


NOTE: One survey respondent reported being under the age of 25.

Question:

How would you characterize the nonprofit organization? Please choose all that apply.

n = 468

**Industry trade association**

A trade association or industry trade group is a voluntary organization founded and funded by businesses that operate in a specific industry. Examples of trade associations include the Alliance of Automobile Manufacturers, American Hotel & Lodging Association, and National Association of Manufacturers. Membership is normally held in the business's name.

Professional society

A professional society is usually a nonprofit organization seeking to further a particular profession, as well as the interests of individuals engaged in that profession, often offering professional certification or credentialing programs. Examples of professional societies include the American Bar Association, American Institute of CPAs, and American Medical Association. Membership is normally held in the individual's name.

Charitable organization

A charitable organization is a nonprofit organization whose primary objectives are philanthropy and social well-being—for example, charitable, educational, religious, or other activities serving the public interest or common good. There is a huge variety of such nonprofit organizations in North America, including large, well-known organizations such as the International Rescue Committee and Cystic Fibrosis Foundation and smaller, niche groups such as Food Allergy Research and Education.

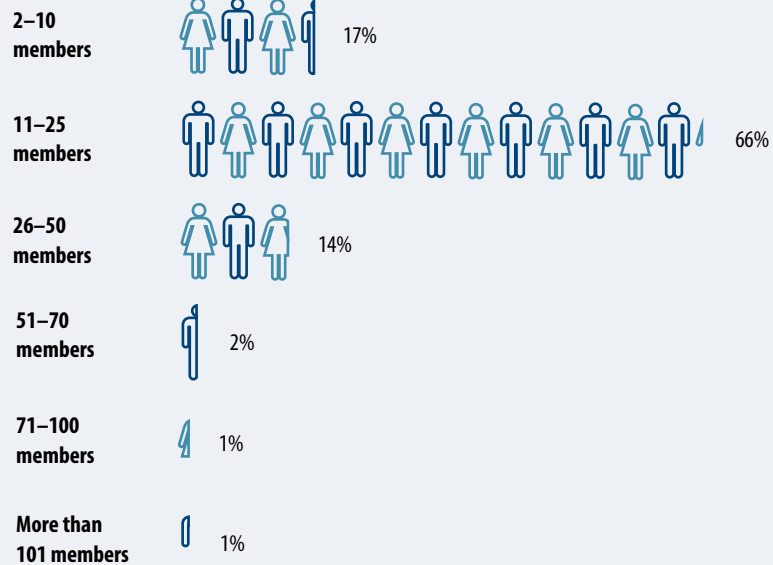
Other

Some participants in our survey chose "Other" and wrote in their affiliation; the responses included "university," "institute," "housing association," "private foundation," "think tank," "hospital system," "social club," and "retirement fund," among others.

Question:

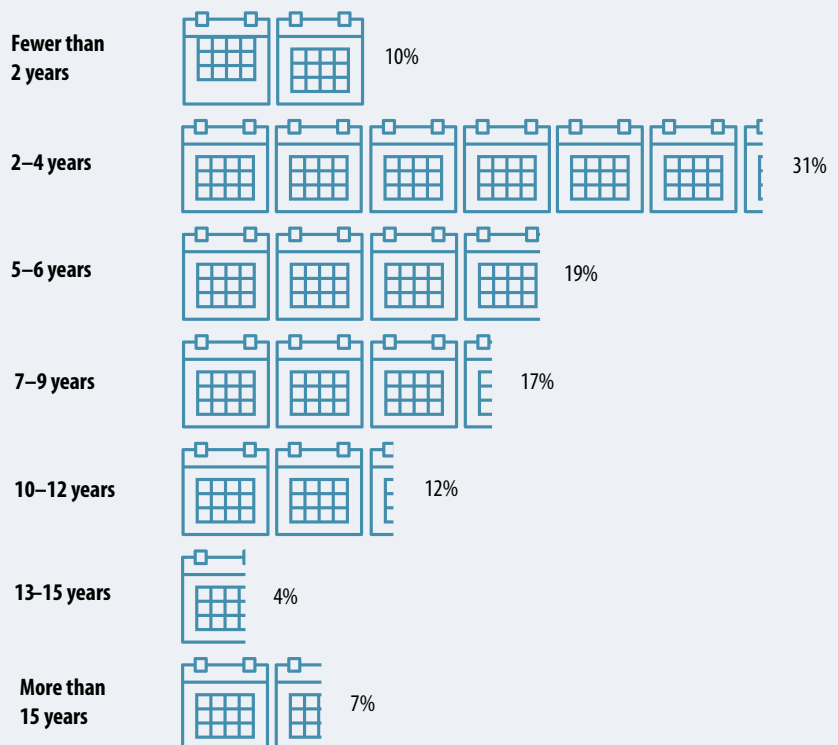
What is the size of your board of directors?

n = 392

**Question:**

How many years have you served in a board of director role for the same organization (including 2017)?

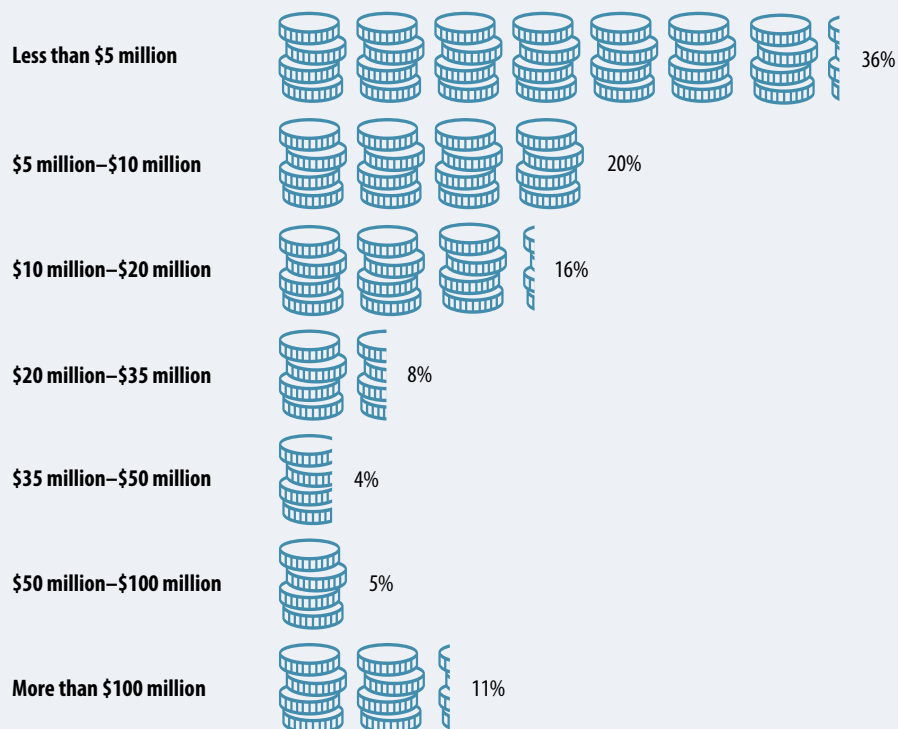
n = 459



Question:

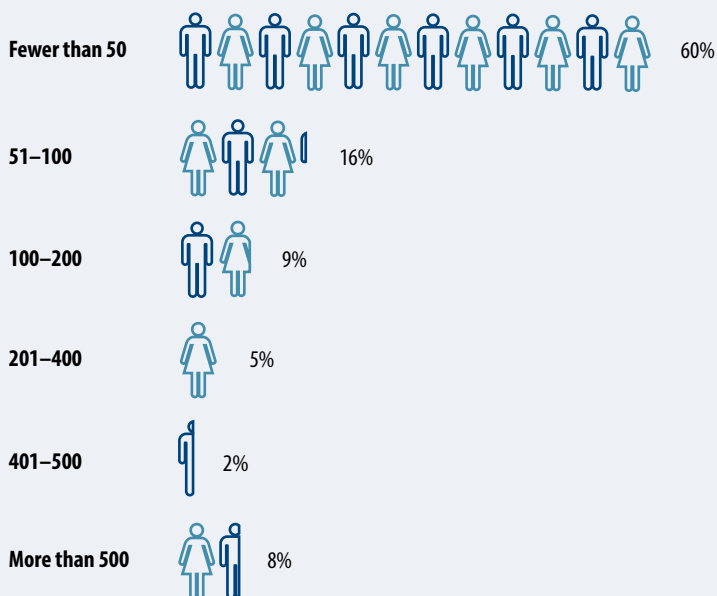
What is the 2016 annual revenue of your organization? (If you do not use the calendar year, please use your last complete fiscal year's revenue.)

n = 383

**Question:**

What is the number of employees of the organization?

n = 385



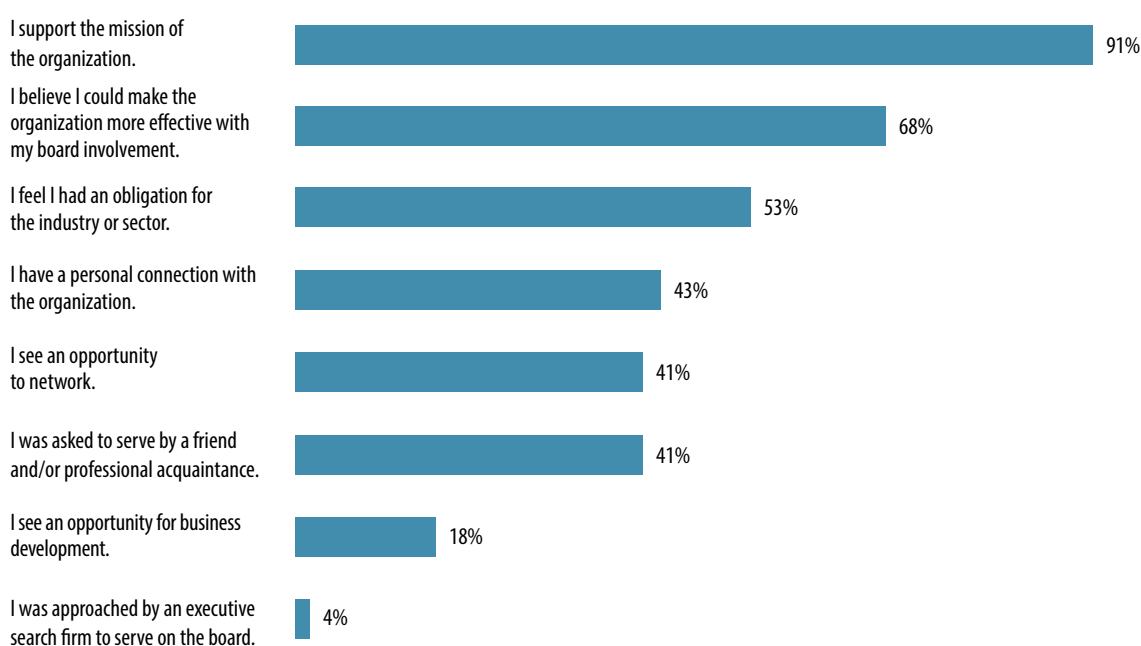
Why serve on an association or nonprofit board?

The reasons professionals serve on the boards of associations and nonprofits offer insight into the role of the board itself. When asked why they serve (and offered the option to choose multiple responses), 91% of association and nonprofit board members said it is because they support the mission of the organization, and 68% agree with the statement “I believe I could make the organization more effective with my board involvement.” About half (53%) serve out of an obligation to the industry or sector; some of these respondents are the CEO of their organization and are thus a de facto member of the board. A large minority say they serve because they have a personal connection with the organization (43%), they see an opportunity to network (41%), or they were asked by a friend or professional acquaintance (41%) (see Figure 1).

FIGURE 1: Association and nonprofit board members serve because they believe in the organizations’ mission

I am serving on a board of directors because ... (Please choose all that apply.)

n = 464



Boards are increasingly mission-oriented

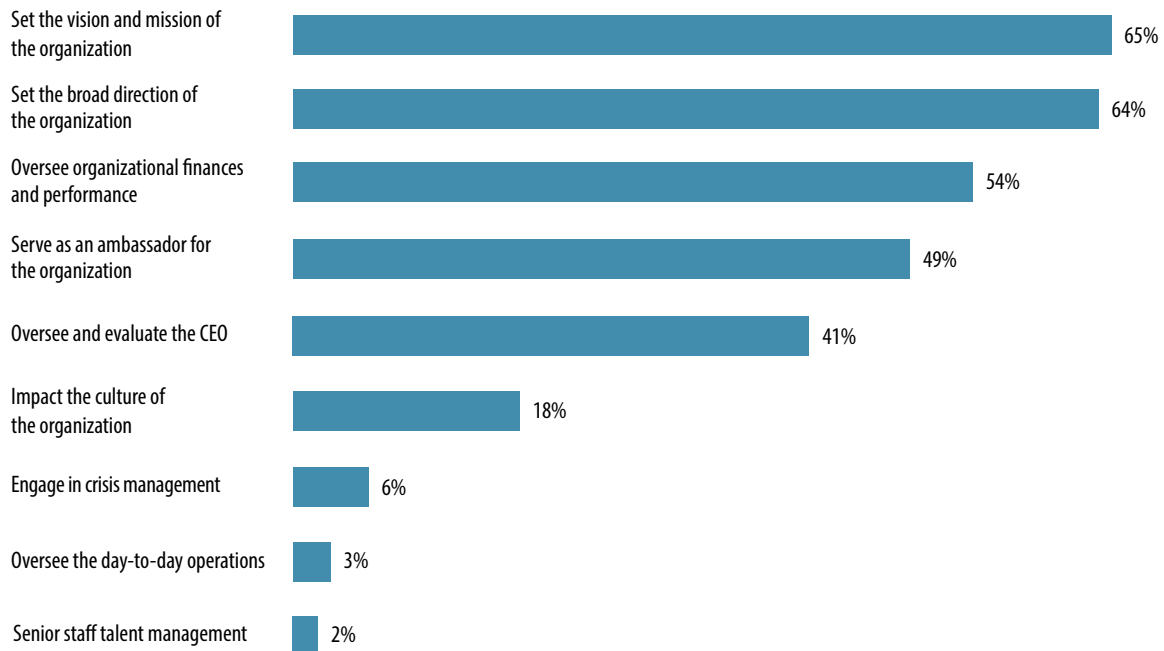
Given that 9 in 10 association and nonprofit board members serve because they support the mission of the organization, it is perhaps no surprise that the most-cited board responsibilities among survey respondents were “set the vision and mission of the organization” and “set the broad direction of the organization.” A decade or two ago, many association and nonprofit boards were responsible for overseeing day-to-day operations; by contrast, today just 3% of board members say they are responsible for such hands-on work (see Figure 2).

The need to be more vision-oriented is also felt in the C-suite; in last year's survey, *Association CEOs: Leading through Change*, CEOs reported that their greatest focus areas are the association's mission and organizational vision—though more than 40% reported that it's becoming more difficult to define a vision for the organization. It is perhaps unsurprising, then, that boards are increasingly being asked to weigh in.

FIGURE 2: Association and nonprofit board members believe their main responsibility is to think big

What do you believe are your top three responsibilities of being a member of the board of directors? (Please choose three.)

n = 411



What was the most useful advice given to you when you joined the board?

*This is not the corporate world.
You will have to lead differently!*

The work the organization does changes people's lives. It's important to not let the occasional lack of resources and seemingly small board size create a lesser sense of responsibility.

Never forget you have a fiduciary responsibility to the organization.

Connect as much as you can with your board mentor.

Be prepared to carry more than your share of the load because many members are there for the social aspect and have minimal engagement.

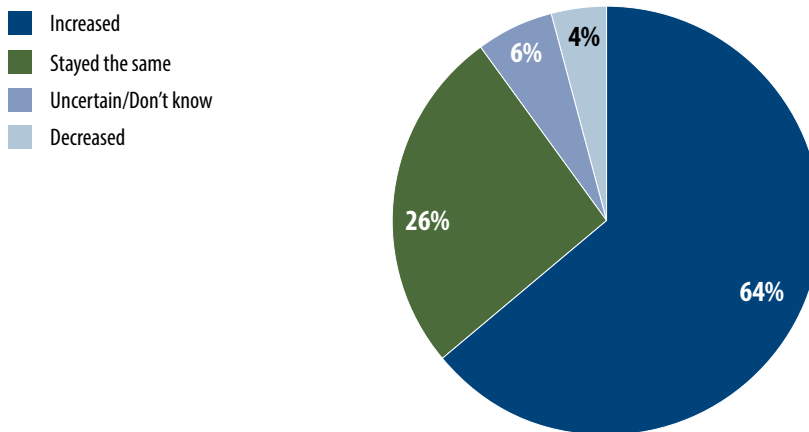
Board service is a demanding but positive experience

Board service is a time-intensive commitment; our survey respondents estimate they spend an average of 172 hours per year in service. And 64% of respondents also feel demands on the board have increased in the past five years. Only 4% say the demands have decreased (see Figure 3).

FIGURE 3: **Most feel that demands on board members are increasing**

In the past five years, have the demands on the organization's board of directors ...

n = 398



We asked respondents who feel their demands have expanded about the areas that require additional time; more than half cited “focus on mission and organizational vision” (62%), “financial oversight” (57%), and “revenue stability or growth” (55%). So again, we find that board members are much more involved in the mission and finances of the organization; few board members cited the more hands-on tasks, such as engaging grassroots supporters around public policy issues, as areas that take up more of their time.

And while private-sector board members can usually expect a salary for their time and commitment, nonprofit and association board members are often required to make a financial contribution to the organization as part of their service. Half of our survey respondents said that such a contribution is expected.

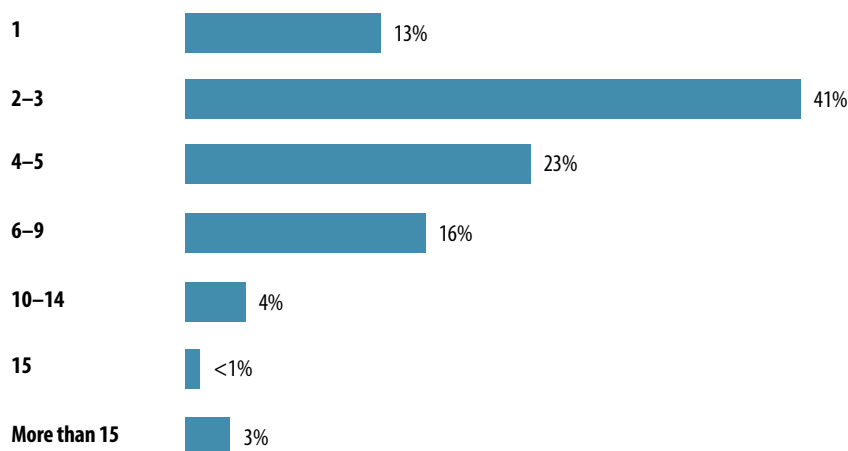
Among survey respondents, 41% have served on two to three boards. A handful report that they have served on 15 or more boards.

Despite the increase in demands on their time, 93% of association and nonprofit board directors feel that their board service is a good use of their professional time. Perhaps this favorable impression—along with the importance placed on volunteerism, which is common throughout communities in the United States—is why association and nonprofit board members seek out multiple service opportunities. Among survey respondents, 41% have served on two to three boards. A handful report that they have served on 15 or more boards (see Figure 4).

FIGURE 4: The vast majority of association and nonprofit board members have served on multiple boards

On how many association and nonprofit boards have you served during your career, including your current service?

n = 459



Note: Figures may not sum due to rounding.

The overlap of service opportunities could be one explanation for this finding. A businesswoman who owns a pet store may, for example, sit on the board of her trade association (such as the World Pet Association) to make connections in the industry. She may also sit on a philanthropic board (such as the local humane society) because she believes in the mission and wants to contribute directly to her local community's efforts in the area. (For a look into the methods practiced by a board composed entirely of Fortune 500 CEOs, see sidebar, "A Q&A with Marlene Colucci, executive director of The Business Council.")

Best practices for board leadership

Our survey results provide evidence for the anecdotal experience of many association and nonprofit board members that such service can be time-consuming and even frustrating due to varying interests and agendas. As discussed above, these individuals converge because they have a passion for the work of the organization, and they often bring a wide variety of other interests, backgrounds, experiences, and opinions. This diversity of thought can prove to be a strength of these organizations.³

³ See Billy Dexter, "The business relevance of diverse leadership," Heidrick & Struggles, January 25, 2017, on heidrick.com.

A Q&A with Marlene Colucci, executive director of The Business Council

Founded in 1933, The Business Council is an invitation-only advisory board made up of Fortune 500 CEOs. In this edited Q&A, Executive Director Marlene Colucci offers her insight on how to enlist prospective members, the evolution of board participation, and ways to keep participants engaged, satisfied, and inspired.

Q: What is The Business Council?

A: As a gathering place for Fortune 500 CEOs, our association is unique. We count between 150 and 200 CEOs as our members at any given time, each of whom is handpicked through a nomination process aimed at achieving diversity of industry, company size, and personal skill set. Our executive committee of 12 to 16 members sets the vision for our three annual meetings, which are held around the country and offer members the opportunity to gather, network, and engage in professional development sessions and lectures. We ask members to attend at least one meeting a year.

Q: How do you ensure board members have a good experience with The Business Council?

A: To keep people coming back, we encourage candid discussion, run efficient meetings, accommodate hectic schedules, and ensure the content we're offering is distinctive and tailored for Fortune 500 chief executives.

We're focused on creating a learning and networking environment for some of the world's busiest and most high-profile CEOs—and as such, the entire meeting is closed to press and operates under Chatham House rules. Even staff and security are asked to remain outside the meetings. This opportunity for candid, peer-to-peer conversation is crucial to our success. Part of the board meeting experience includes lunch and open discussion, which gives members the opportunity to catch up and network.

Our members also appreciate that we keep board meetings very tight; we start at a reasonable time of morning, say, 11:00 a.m., and try to keep the agenda to 60 or 90 minutes. We provide meeting materials in advance so all members arrive prepared and no one feels like we're wasting their time.

We also encourage members to bring their spouses to the formal meetings, which is a draw for a group of people who, again, are squeezed for time and want to share more experiences with their spouses—all of who are accomplished businesspeople in their own right. Usually about one-third of our members bring their spouse, and it greatly expands the diversity and experience in the room.

And of course, we are focused on ensuring the content is inspired by the world's greatest minds—from government leaders and experts to other CEOs. Member CEOs are asked to evaluate each meeting and identify the most significant challenges they face. We address these challenges head on by identifying the most dynamic and engaging thought leaders. Our goal is to exceed expectations.

Q: How do you enlist board members and leadership?

A: For membership, we compile a list of CEOs who have been nominated by their peers and evaluate their potential contribution. We've found that this membership selection process makes the group more appealing, as individuals are chosen based upon what they bring to the organization.

In terms of board leadership, I work closely with the current and immediate-past chair to determine the right fit when casting the net for our next chair. We look for someone who has fresh perspectives that align with our needs and goals of The Business Council and an eye toward the future.

As such, association and nonprofit leadership should be cognizant of the breadth of their board members' diversity and ensure they are communicating the organization's objectives to appeal to this varied audience. One area where boards could focus on increasing diversity is in the gender balance (see sidebar, "Between the lines: Women are more likely to serve due to networking opportunities").

Between the lines: Women are more likely to serve due to networking opportunities

Gender diversity on boards in both the private and nonprofit sectors is below parity. A recent study from Heidrick & Struggles found that women constituted just 28% of incoming board members at Fortune 500 companies in 2016.¹ A similar scene is playing out in association and nonprofit boards, which we found are currently just 30% female. About one-third of our survey respondents said they feel gender identification on their board is unbalanced.

Still, association and nonprofit board service can be a viable avenue for women to get the experience they need to make progress in their professional career and make connections with key influencers within their industry. So how can association and nonprofit boards

enlist more women? One approach could be to spread word about networking opportunities. In our survey, 49% of women indicated they serve on an association or nonprofit board for networking purposes, compared with 41% of men. This variance reaffirms the finding in the 2016 *Association CEOs* report that women are more focused on "sector/reputation building."² Association and nonprofit leadership could ensure their pitch to potential female board members includes a description of networking opportunities that result.

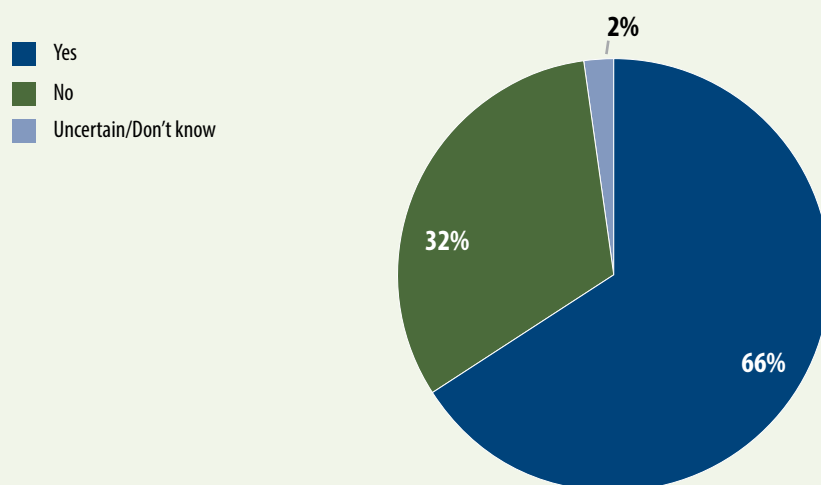
¹ For more, see *Board Monitor 2017: Is Diversity at an Impasse?* by Heidrick & Struggles, June 19, 2017, on heidrick.com.

² See Julian Ha, Bill Hudson, and David K. Rehr, *Association CEOs: Leading through Change*, Heidrick & Struggles, March 18, 2016, heidrick.com.

FIGURE: Association and nonprofit boards could improve their gender diversity

In your opinion, does your board of directors reflect balanced gender identification?

n = 387



Onboarding: A focal point for improvement in the board experience

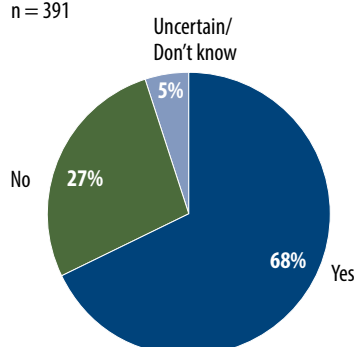
Association and nonprofit board service is far from a lifetime commitment; our survey found that two-thirds of association and nonprofit boards have term limits—in contrast with the private sector, which generally does not impose term limits on board members. More than half of respondents have been on their board for three years or less, while only 23% of respondents have served for 10 years or more. Given the relatively short tenure of association board members, the onboarding process is a critical tool in quickly getting these individuals up to speed and making an impact.

Our survey suggests that the onboarding process for many boards needs further development to ensure board members are fully equipped to contribute during their term. Just over half of respondents reported that their organization had an onboarding process when they joined the board. The number is slightly higher among boards with more than 100 members; 62% of board members in these organizations went through an onboarding process. This higher rate makes sense, as the massive size of these boards combined with the expectation of turnover likely pushes these organizations to formalize the onboarding process. But overall, less than half of respondents said their organization's onboarding experience properly prepared them to be an effective board member (see Figure 5).

FIGURE 5: The prevalence of term limits and short tenures point to the board onboarding process as a key improvement opportunity area

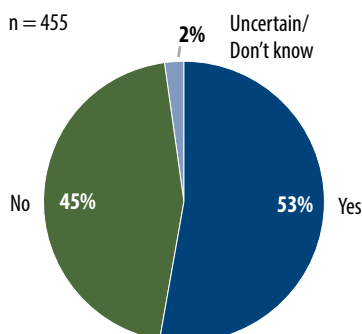
Does your organization have term limits for members of the board of directors?

n = 391



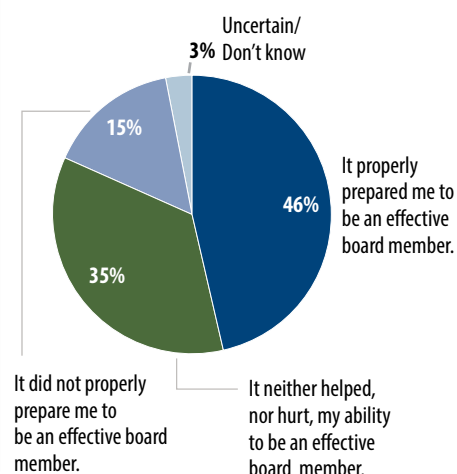
When you first joined the board of directors, did the organization have a defined onboarding process to help you assume your duties as a board member?

n = 455



How would you rate your onboarding experience?

n = 414



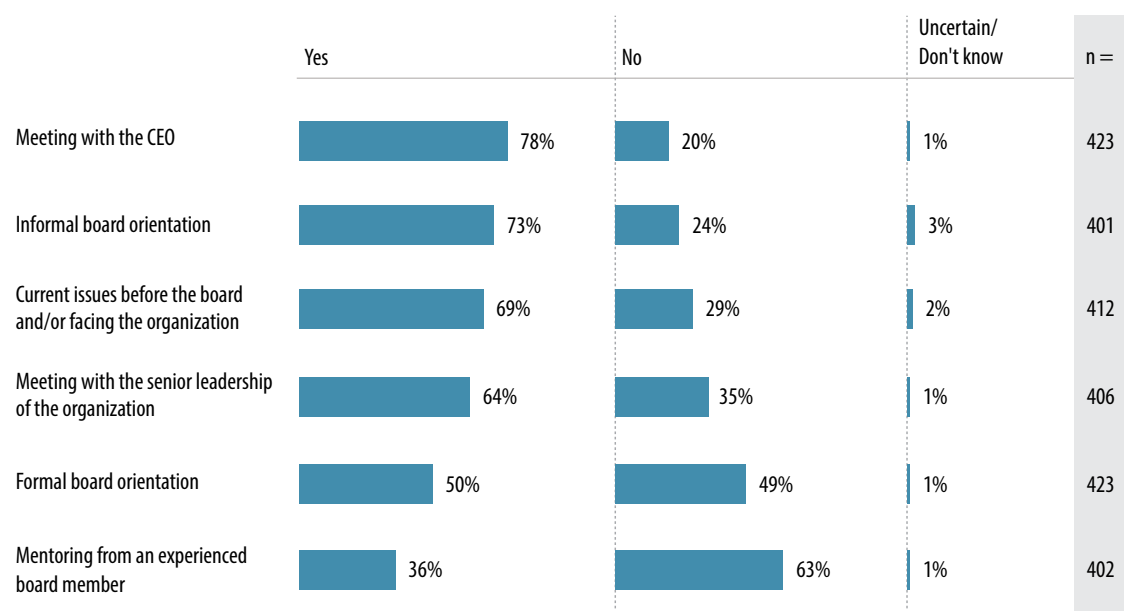
Note: Figures may not sum to 100 due to rounding.

What does the onboarding process look like today?

To help diagnose the specific needs in onboarding, we asked survey respondents to reflect on their onboarding experience—regardless of whether it was formal or informal. The majority of respondents indicated that their onboarding was informal and included a meeting with the CEO, meetings with senior leadership of the organization, and a discussion of current issues facing the board and the organization. However, 20% of board members did not meet with the CEO, and 35% did not meet with senior leadership—an oversight that can leave these board members feeling out of the loop. Barely 50% of respondents described their orientation as “formal,” and only 36% said they were mentored by an experienced board member (see Figure 6).

FIGURE 6: Most board members did not receive a formal orientation

Looking back on your onboarding process, did it include . . .



Note: Figures may not sum due to rounding.

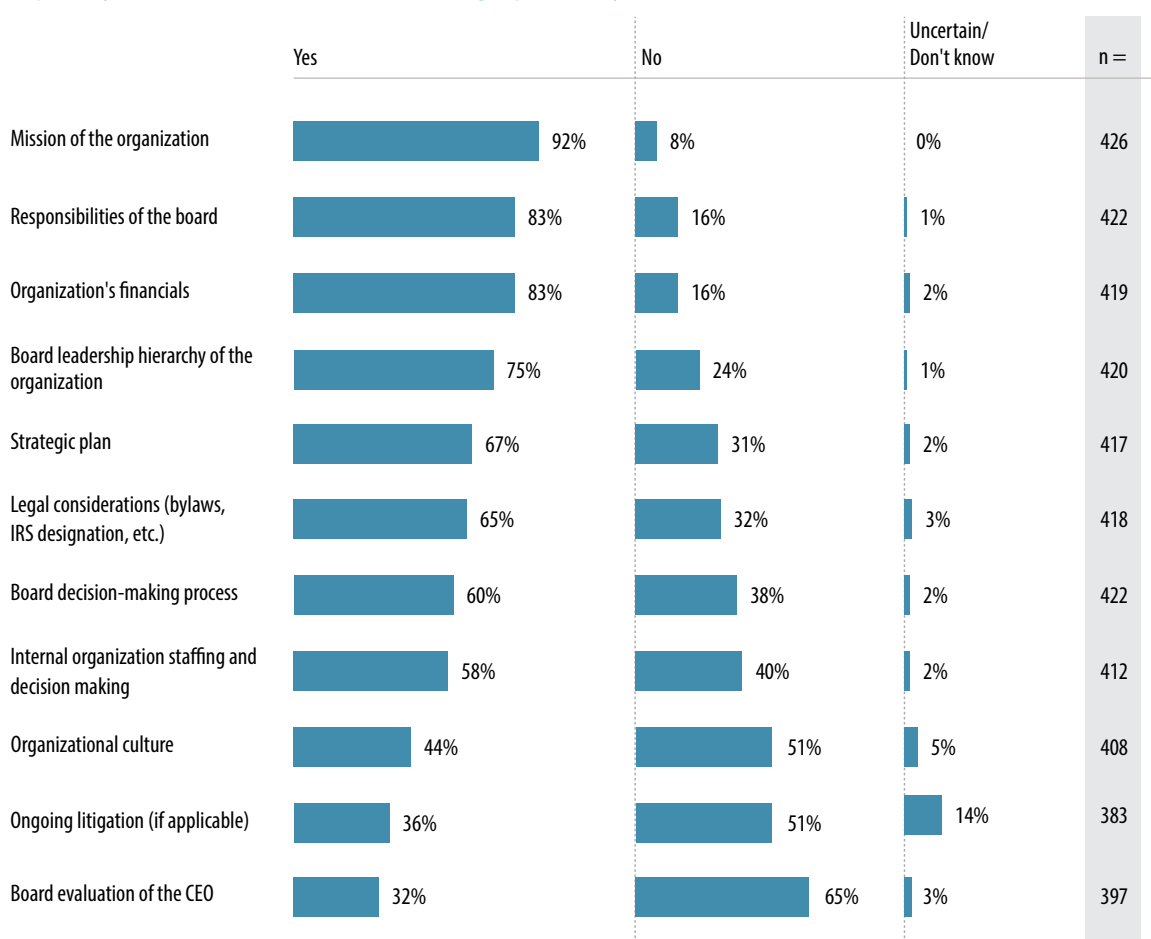
The lack of formal onboarding is worrisome given the increasing demands on the board and the broad range of topics they consider when recruiting potential members. Among our survey respondents, 59% said they have seen a change in their role and responsibilities in the past three years—a figure akin to what association CEOs reported in last year’s survey. These organizations are changing rapidly, and the lack of a formal onboarding process is hindering their ability to help board members understand expectations and serve effectively.

Where is the onboarding process faltering?

Nine out of 10 incoming board members said their onboarding process included an explanation of the organization's mission—though this finding is not surprising given that the same percentage said they serve precisely because they believe in the mission. Eight in 10 board members said their onboarding included an explanation of the board's responsibilities and organization's financials—which, again, makes sense given that at a basic level, board members must understand their role and the current state of the organization (see Figure 7).

FIGURE 7: Board onboarding covers a lot of ground—but there are gaps

As part of your board orientation, was the following explained to you?



Note: Figures may not sum due to rounding.

But the survey questions on board orientation highlight several significant gaps in current onboarding processes. Just one-third of incoming board members received an explanation about the board's evaluation of the CEO—and yet half of respondents indicated that the entire board oversees hiring, promoting, and terminating the CEO. This mismatch in

expectations means that many board members charged with oversight of the organization's top executive don't know how that oversight is expressed. And while most board members are not intimately involved in their association's day-to-day operations, 51% didn't receive an explanation of its organizational culture and 40% didn't receive an explanation of internal organization staffing. Acquiring these crucial pieces of information could greatly improve members' ability to provide guidance and counsel as board members.

Perhaps even more troubling, 24% of survey respondents weren't informed of board leadership hierarchy, and almost 40% weren't told how the *board itself* makes decisions. This uncertainty can make new board members more tentative in assuming responsibilities.

Best practices for board leadership

To start, a transparent, consistent application of board onboarding practices—such as meetings with the CEO and other senior leadership—will ensure that all board members feel equally welcome and informed. This even-keel approach would dismiss any negative, unintended consequences that may result from only some board members having these meetings.

Survey respondents had several suggestions for how to improve the onboarding process. Many flatly called for a more formal, detailed onboarding process. Others suggested that more dialogue with other board members would be beneficial in several forms, including mentoring by senior board members, facilitated interactions with board peers, and direct contact with the CEO and other key executives. One respondent wrote, "After reading the suggestions in this survey, an orientation and quick call from the CEO would have been helpful." Another commented, "I personally am arranging visits with as many departments as I can, and they are very receptive to this."

Still other board members recognized the onboarding challenge and took steps to mitigate it. "Because my onboarding process was relatively nonexistent beyond speaking with the CEO and board chair," explained one respondent, "I joined the governance committee and recommended that we evaluate and adjust the onboarding process. So far, it's been effective. The first thing we did was host an incoming board member brunch to get acquainted and answer questions. Second, we partnered new members with a buddy for their first year." Another wrote, "Since joining the board, we have implemented a once-per-year onboarding session for all board members."

Additionally, others indicated that formal instruction in the technical aspects of service, such as the bylaws, strategic plan, financial contribution requirements, and minutes from past board meetings, would be a helpful addition to the onboarding process. (For a look into the onboarding process of one trade association, see sidebar, "A Q&A with Scott Melville, CEO of the Consumer Healthcare Products Association.")

A Q&A with Scott Melville, CEO of the Consumer Healthcare Products Association

The Consumer Healthcare Products Association (CHPA) has served as the trade association for the US consumer healthcare products industry for more than 100 years.

In this edited Q&A, CEO Scott Melville—a member of the Heidrick & Struggles Association Leadership Council—describes how his organization ensures that all 39 board members are fully informed about the board's processes, governance, and expectations before their first board meeting.

Q: Why did you implement an onboarding process for your board?

A: Early in my tenure, one of our most visible and well-known staffers was speaking at a board meeting. A new board member walked up to me and asked me who he was. It occurred to me that I was assuming too much; we weren't preparing our board members appropriately. So about five years ago, we created a presentation that we update every year for the benefit of our incoming board members.

Q: What does your onboarding process entail?

A: Our board meets three times a year, in March, June, and November. We elect new board members in March, so we ask new board members to come in a few hours early to the June meeting for an orientation meeting at our office in Washington, DC. We introduce them to the senior team, they meet each other, they get to see our offices—sometimes that's the only time that really happens—and they sit down for a presentation that takes about an hour and a half. The presentation itself has evolved over the years, but it includes an explanation of the mission, the company's history, the organizational chart, how the board operates, and so forth. This year we added a slide that explains the differences between a 501(c)3 and a 501(c)6, because we realized that would be helpful for people who are new to serving on a nonprofit board to learn how our foundation differs from our association. Then the next day is our board meeting, and the new members can go in with a foundation of expectations and some familiar faces.

Q: What knowledge do your board members arrive with?

A: We're fortunate to get senior business leaders for the over-the-counter drug industry in the United States on our board. From our large corporate members, we tend to get business unit leaders with profit and loss (P&L) responsibilities; from our smaller, family-owned members, we may get the CEO of the company. There's a lot of rotation and turnover among the representatives from larger companies, as people move on to new roles and responsibilities; in the six years I've been here, I've had five board members from one large manufacturer. The challenge is making sure the orientation is relevant to everyone.

Q: Does the onboarding work?

A: We've had a great response. Obviously, it answers a lot of questions. I think it also makes new board members feel welcome at their first official event. And because we time it right before the board meeting itself, people don't need to come in on a special day. We also encourage people to jump in right away at their first meeting; there's no seniority required to speak up.

Q: Beyond the orientation meeting, how do you engage with the board?

A: We have a board resource center on our website. It's password-protected and has all the materials they need—board minutes, the calendar, the bylaws, the directory of other board members and their contact information, and so forth. I write regular e-mail updates to the board. And our executive committee meets in between the three annual board meetings to do the more in-the-weeds work. One thing I've been thinking about doing is instituting a board mentor program. No one has really asked for it, but I think it could be helpful in empowering and engaging our board members.

What happens once you're on the board?

Although onboarding seems to be a potential area of improvement for some association and nonprofit boards, at the time of our survey almost all respondents indicated that they now understand their role and the organization they serve—including the mission (99%), the expectations of board membership (96%), the organization's financial picture (95%), the organization's strategic plan (92%), and the programmatic objectives of the organization (91%).

So how do these board members acquire all this information? How do they grow into their roles and within the organization? Our survey also asked respondents to reflect on their experience after joining an association or nonprofit board—how do they obtain information? What issues do they focus on? How effective are they in helping the organization plan for the future? Member responses highlight the path to understanding the organization and some of the challenges along the way.

The information pipeline is crucial

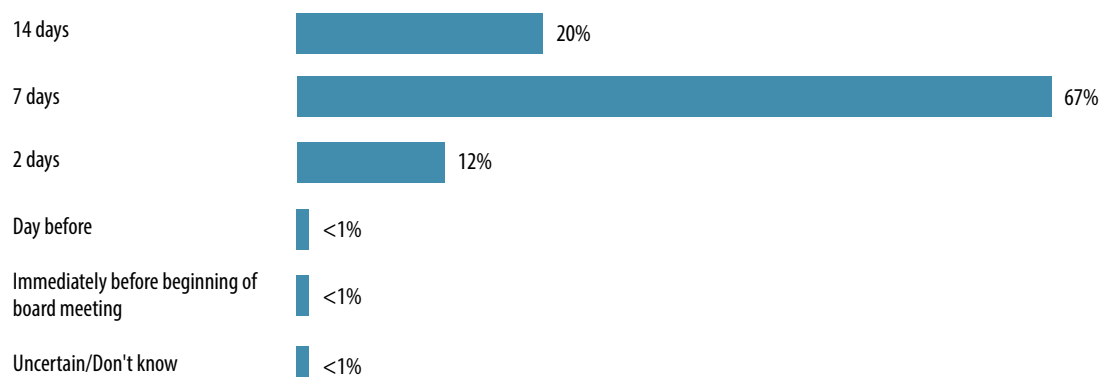
One way board members get up to speed on the organization and its processes is through the sharing of information—particularly in the time leading up to board meetings. We asked respondents how effective the organization is at preparing them for board meetings—and three in four said that the preparation is “effective” or “very effective.” Almost 90% said they receive pre-call documents via e-mail, while less than half said they receive documents via a dedicated web portal (49%), in hard copies (45%), or through a pre-board meeting conference call (38%).

Overwhelmingly, respondents indicated that they prefer advance materials at least a week before the meeting; 67% said seven days' notice is necessary, and 20% want the materials 14 days in advance. Only two respondents said that getting materials the day before or immediately before the meeting is acceptable (see Figure 8).

FIGURE 8: Board members prefer a week to review materials before a meeting

How far in advance do you believe is necessary to receive board of directors materials to be properly prepared?

n = 412



Note: Figures may not sum due to rounding.

What was the best advice ever given to you?

Humor often is more effective than rational argument.

Remind the board you speak from experience, but never mention specific past positions held.

Be a selfless leader. The mission is what matters.

Give it the same attention that you give your day job.

Only ask questions that interest the whole board—if it's just for your benefit, do it outside of session.

Most board members feel their time is well spent

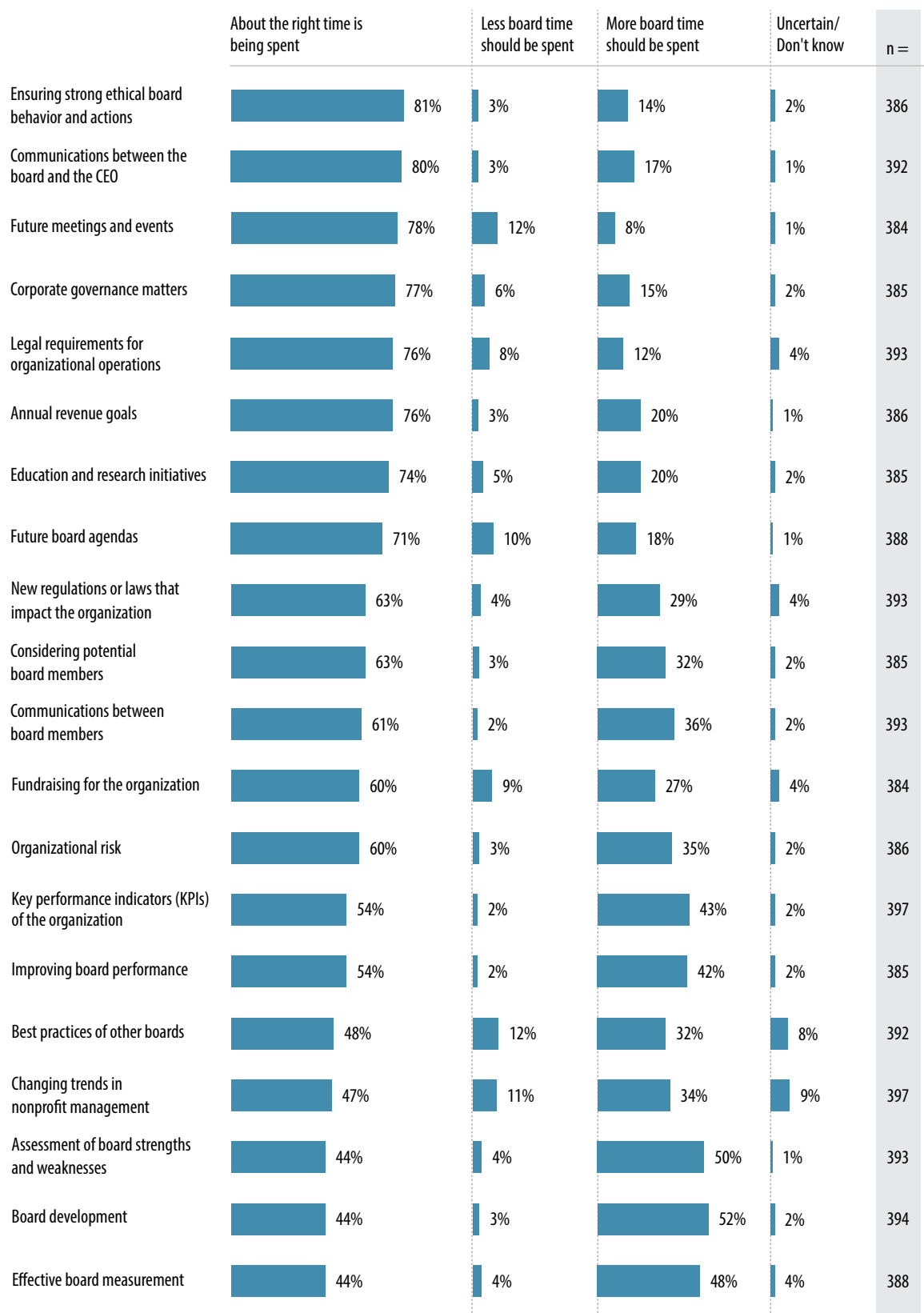
In general, the board members we surveyed feel their time is well-balanced across the board's many responsibilities, which helps them become more familiar with the organization. They are particularly content with time spent ensuring ethical board behavior and actions, communications between the board and the CEO, future meetings and events, corporate governance matters, legal requirements for organizational operations, and annual revenue goals (see Figure 9).

Most often, board members expressed a desire to spend more time on areas relating to the board's own operation and enrichment: board development, assessment of board strengths and weaknesses, and effective board measurement were the areas most cited as needing more discussion time. Only 44% of respondents think the right amount of time is spent on each of these areas, and 4% or less believe less time is needed. These findings may indicate that association and nonprofit leadership ought to build more structure so that the board can assess its own processes and performance.

For the most part, board members indicated that there are few issues they would prefer to spend less time on—though 11% to 12% cited future meetings and events, best practices of other boards, and changing trends in nonprofit management as the least worthy of their time.

FIGURE 9: Board members would like to spend more time on their own processes and performance measurement

Based on your current experience, where should board discussion time be spent?



Note: Figures may not sum due to rounding.

Board members are faced with many tough decisions

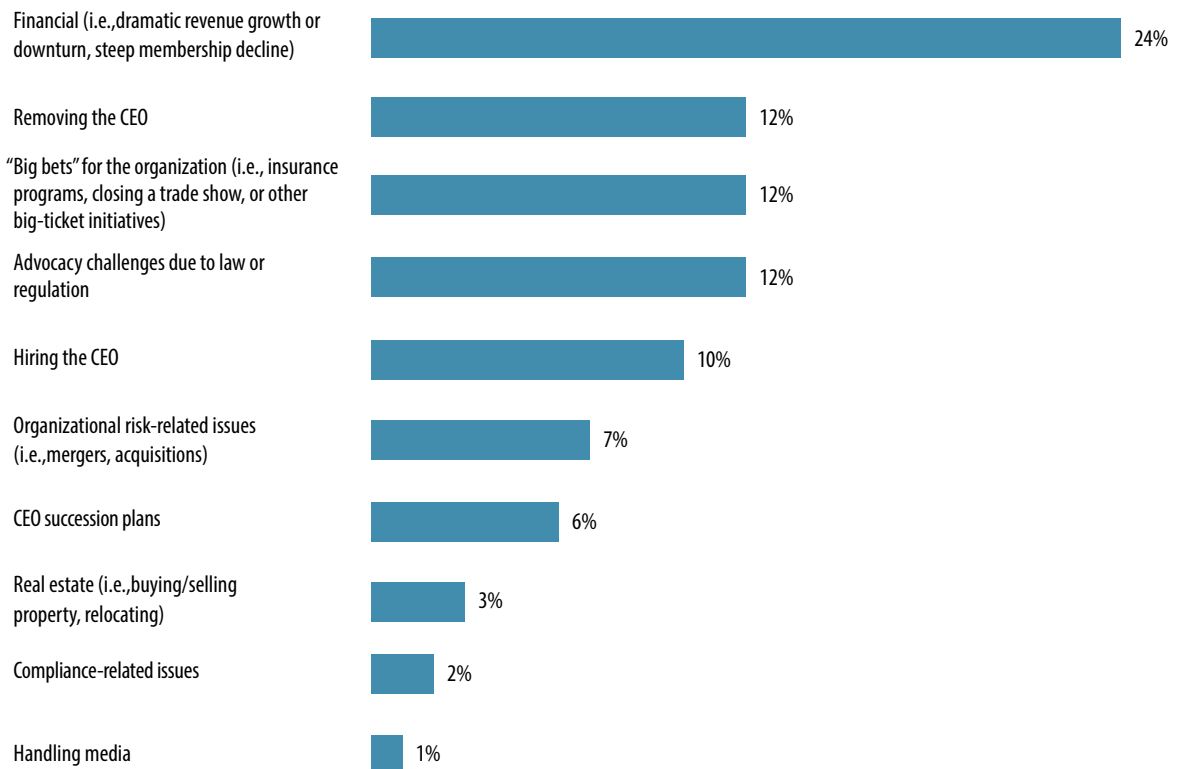
For many associations and nonprofits, myriad hard decisions require board member action. Board members were evenly split across several categories as to what the single toughest decision has been; the largest consensus was around financial matters—dramatic revenue growth or downturn, steep membership decline, and so forth. Hiring and firing the CEO also topped several people’s list (see Figure 10). One board member wrote in response to the question posed below, “Making other board members aware of true facts of ongoing litigation. I was the only person who took time to read arbitration transcripts. We were being told something different by the board chair than what transcripts revealed.” Again, adequate sharing of information is crucial for board members to be prepared to face challenges.

Some boards are not future-oriented—but they all work to avoid being blindsided. We were surprised that only two-thirds of respondents agree that their board focuses on the future state of the organization and where it should be in five years’ time. Throughout this year’s and last year’s survey results, we detected signs that organization leadership and boards of directors are working to broaden their view and become more forward-looking.

FIGURE 10: Board members report a range of tough decisions, particularly in finance and personnel

As a member of the board of directors, what has been the single toughest decision in your tenure?

n = 387



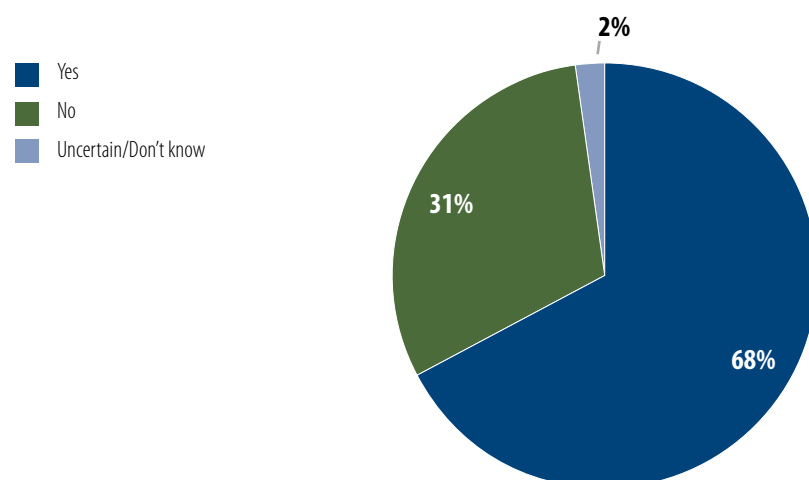
Note: Figures may not sum due to rounding.

The outcomes of our survey indicate that some boards have not yet succeeded in adopting that future-oriented perspective—indicating another challenge that board members face (see Figure 11).

FIGURE 11: Two-thirds of boards are future-oriented

In your view, does your board focus on the future state of the organization and where it should be in five years' time?

n = 396



Note: Figures may not sum due to rounding.

In last year's survey, many association CEOs said they avoid being blindsided by uncertainty through constant contact with their members. Many board members also cited formal and informal communication with the CEO, senior management, and members as their primary method to avoid being blindsided by uncertainty and change within the organization. One board member wrote, "[We] rely mostly on the professional staff to keep the board informed." Another wrote, "Good and regular communication with the CEO and CFO hedges against surprises."

Other respondents pointed to governance processes as a potential area for improvement; one board member wrote, "The board or at least most of the directors recognize this possibility [of being blindsided]. We guard against it by having a diverse range of capabilities and experience and by committing sufficient time to reviewing strategic issues at least yearly."

Board members' overlapping interests—which often led them to serve in the first place—are also an advantage in staying informed. One board member wrote, "My professional area and the work of my nonprofit are in aligned fields so all that I do to stay current in my day job relates

to my board service. I also stay current on overall business, industry, social, and demographic trends in general.” Another individual noted, “I believe the culture should be one that expects change. If you are not seeing constant change, you are probably doing something wrong.”

Best practices for board leadership

In general, the association and nonprofit board members who took our survey reported that board service has been a positive experience. A common theme is ample communication—whether it be materials before a meeting or informal discussion that helps the organization keep all eyes pointed toward the future. Association and nonprofit leaders must confirm they are setting their board up for success by providing the resources and materials they need to effectively set the direction of the organization—and not letting their role creep into day-to-day operations, which is neither the board’s mandate nor its purview.

Crucially, senior leadership needs to ensure that each board member understands expectations; open lines of communication are critical to establishing a culture of honest discussion and confirming board members are prepared and willing to contribute before, during, and after formal board meetings. Asking board members to take off their “day job” hat at the door and put their board service ahead of their own brand and attitude is a helpful approach. Communication should include both organizational business and an inward look at the board itself; in our survey, many board members expressed a desire to spend more time assessing the board, including both processes and performance.

What is some key advice for new members?

Treat it like a part-time job.

Take time to talk to the CEO and others on the executive team. Spend your first board meeting or two learning the board processes and how meetings work.

Believe in the mission; have a personal connection so you will want to make your service a priority. Don’t serve on a board to just say you are on a board. Be prepared to do real work!

Be open. Listen. It takes a while to understand the dynamics of an “unpaid” board of directors made up of many people with large personalities. Influencing skills are critical.

Speak up when you have questions or concerns. Boards too easily fall into rubber-stamping mode.



These findings may indicate that association and nonprofit leadership ought to build more structure so that the board can assess its own processes and performance.

Conclusion

Overall, our survey revealed several fundamental truths about association and nonprofit board service. It is generally a positive experience that board members deem a good use of their professional time. Despite the dozens, hundreds, or even thousands of hours they spend annually on their board service, members remain enthusiastic and driven; only 2% of respondents said their board is “disengaged.”

Still, several areas could use improvement—particularly the onboarding process. As such, associations and nonprofits should focus on formalizing this process (especially if they enforce term limits or see high turnover) to ensure that members can get up to speed as quickly as possible on the organization’s dynamics, logistics, and expectations of board members. ■

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