AGRiP
Governance & Leadership Conference

Board Composition & Recruitment: Why?

March 4 & 5, 2019
10 a.m.-10:45 a.m.

Dr. Robin Hindsman Stacia
AGRiP Inclusion Resident

Dr. Robin H. Stacia
robin@sageconsultingnetwork.com
404.973.0233

CEO/Principal Consultant
Sage Consulting Network, Inc.

BoardSource
Senior Governance Consultant

Standards for Excellence
An Ethics And Accountability Code For Nonprofit Organizations

Clinical Psychologist
Previous Healthcare Performance Executive

Lean Six Sigma Process Improvement
Green Belt
Today’s Objectives

1. To activate an appreciation for the importance of inclusive governance practices, which includes both cognitive and demographic diversity.

2. To articulate the need for establishing intentional overall board recruitment expectations and practices.

3. To clarify the benefits of an inclusive board composition on the overall performance of the pool board and organization.

Boards Matter
Pool governing board service... complex, meaningful and varied

The difference between **RESPONSIBLE** and **EXCEPTIONAL** boards lies in— thoughtfulness and intentionality, action and engagement, knowledge and communication.

**12 PRINCIPLES OF GOVERNANCE THAT POWER EXCEPTIONAL BOARDS**
Perception of impact of board on their organization's performance

“Why” Board Composition and Recruitment

Best Practice Recommendations
Who Boards Are
Directly Affects How They Work

The People
The Culture
The Work
The Impact

The Who, What, and How
of Board Performance

PEOPLE (WHO)
Board Composition & Structure
- Composition
  - Size & Terms
  - Composition/Diversity & Inclusion
  - Recruitment & Elections
- Structures
  - Committees
  - Meetings

WORK (WHAT)
Board Responsibility
- Strategy & Programs
  - Mission, Vision, Programs
  - Strategic Planning
  - Strategic Issues
- Ambassadorship
  - Advocacy & Public Policy
  - Fundraising
- Financial Oversight & Accountability
  - Financial Oversight & Sustainability

CULTURE (HOW)
Leadership & Board Dynamics
- Board Development
  - Role Clarity
  - Orientation
  - Assessment
- Board Dynamics
  - Chair & Board Succession Planning
  - Group Dynamics & Board Member Engagement
- CEO Relations
  - Constructive Partnership
  - Evaluation & Compensation
  - CEO Succession Planning
Why - Best Practices

Nonprofit Quarterly – 8/21/17
Nonprofit Board Responsibilities: The Basics (25 basics)

Number 22:
Approve changes in the number, composition, qualifications, authority, or duties of the governing body’s voting members;

Stanford Business: 2015 Survey
Nonprofit Boards and Organizations

Number 6:
Compose your board with individuals with the skills, resources, generosity, diversity, and dedication that address the needs of the organization.

Increasing Board Inclusivity - Challenging Areas

<table>
<thead>
<tr>
<th>Strength</th>
<th>Area of Board Performance</th>
<th>Average Grade from Executives</th>
<th>Average Grade from Chairs</th>
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<tbody>
<tr>
<td></td>
<td>Understanding mission</td>
<td>A-</td>
<td>A-</td>
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<tr>
<td></td>
<td>Financial oversight</td>
<td>B+</td>
<td>B+</td>
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<tr>
<td></td>
<td>Legal &amp; ethical oversight</td>
<td>B</td>
<td>B+</td>
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<td>Guiding &amp; supporting the chief executive</td>
<td>B</td>
<td>B+</td>
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<td>Level of commitment &amp; involvement</td>
<td>B</td>
<td>B+</td>
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<td></td>
<td>Knowledge of programs</td>
<td>B</td>
<td>B+</td>
</tr>
<tr>
<td></td>
<td>Understanding board roles &amp; responsibilities</td>
<td>B</td>
<td>B</td>
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<tr>
<td></td>
<td>Thinking strategically as a board</td>
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<td>B</td>
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<td>Adopting &amp; following a strategic plan</td>
<td>B-</td>
<td>B</td>
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<td></td>
<td>Evaluating the chief executive</td>
<td>B-</td>
<td>B</td>
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<td>Monitoring performance against strategic plan</td>
<td>B-</td>
<td>B</td>
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<tr>
<td></td>
<td>Community-building &amp; outreach</td>
<td>C+</td>
<td>B</td>
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<tr>
<td></td>
<td>Monitoring legislative &amp; regulatory issues</td>
<td>C</td>
<td>B-</td>
</tr>
<tr>
<td></td>
<td>Increasing board diversity</td>
<td>C</td>
<td>C+</td>
</tr>
<tr>
<td></td>
<td>Fundraising</td>
<td>C</td>
<td>C+</td>
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Usual Board Recruitment Practices

- Defined set board membership
- Long terms of service - often no term limits
- Typically comprised of pool entity representatives

Change is hard - will this really make a difference

Legal limitations and required structures

9 Steps for Strengthening Your Board

- Identify
- Cultivate
- Recruit
- Orient
- Celebrate!
- Rotate
- Evaluate
- Educate
- Involve
Inclusivity Solution

Inclusivity Definition

COGNITIVE DIVERSITY + DEMOGRAPHIC DIVERSITY = INCLUSIVITY
Inclusivity - The Details

Cognitive Diversity
- Varied Perspectives
- Diverse professions, varied career backgrounds and experiences
- Varied functional skills and capabilities
- Varied leadership styles and perspectives

Demographic Diversity
- Nationality and Ethnicity
- Race
- Age
- Gender and Gender Identity
- Socio-economic
- Geography
- LGBTQ
- Religion

Inclusivity Benefits

The ability to see, understand and interpret information from multiple perspectives fuels robust discussion and debate.

Highly inclusive teams have an open mindset, the ability to be innovative both within and outside of typical boundaries.

Valuing that teams are more effective when demographically and cognitively diverse enough to override group think, stereotypes, and similarity bias.

Collaboration, curiosity, adaptability and openness are leading characteristics.

Inclusivity modulates risk as a result of the expanded expertise and capacity of the team.

The preference for discovering and identifying various pathways to achieve the outcomes and even redefining the desired outcomes.
Inclusivity Strengthens Performance

- More likely to achieve financial goals
- More likely to achieve desired business outcomes
- More likely to be high-performing
- More likely to be innovative and agile

Discussion
Board Recruitment and Composition Inclusivity - How?

See you at 11 a.m.

Thank You

DR. ROBIN H. STACIA

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