

Improving Nonprofit Boards: What Works and What Doesn't?

You've read many articles on improving your board. But are such changes worth the effort? Thanks to a new survey, we now have some answers.

BY JEFFREY L. BRUDNEY & VIC MURRAY

We constantly hear about new methods of improving boards. Until now, however, there has been no empirical research on the impact of efforts to change boards.

We decided to create a survey to fill this gap.¹ This article is based on that survey, in which 851 nonprofit leaders answered the following questions:

- What changes in your board's functioning did your organization attempt in the past three years?
- How *successful* were the changes in helping your board function more effectively? And, ultimately, did your efforts have any impact on the success of the organization as a whole?
- Did the *way* you made changes affect your success? For example, did it matter who started the process or whether you used consultants or board models (such as John Carver's well-known model²)?

Our survey yielded some striking results. Clearly, nonprofit leaders have been reading the advice on improving boards—and are doing something about it.

What are they doing, and is it working? And what do these results mean for your organization? Here are some answers.

How Much Change Was Attempted?

Changes occur to boards all the time, simply as the result of new members with different ideas. About 250 respondents had experienced this kind of “incremental or evolutionary” change. They became of interest as a comparison group.

But what of those who “intentionally and deliberately” attempted to change their boards in some way? To our surprise, nearly 3/4 of our sample—72%—reported that they had made a special effort at board reform.

Such a large amount of deliberate board change suggests that nonprofit leaders are well aware of the literature on improving boards. (Of course, there's a good chance that the “intentional changers” were more likely to respond to our questionnaire; hence the sample was probably biased to some unknown extent. For this reason the results reported here cannot be generalized to all nonprofit organizations.)

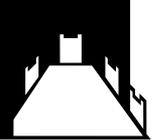
What Kinds of Changes Were Attempted?

First, we discovered that a conscious effort to improve the board *does* result in change. Of the intentional changers, 65% reported four or more changes—almost twice as many changes as noted by the non-intentional group. The most common types of intentional changes were as follows:

- The largest number (69%) of the intentional group reported changes in board responsibilities—for example, what issues the board spends time on.
- Many (65%) noted changes in their board committees—for

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the “non-intentionals.” Again, these results suggest that conducting formal board reform is worth the effort.

(Keep in mind, however, that the results reported here are correlational, meaning that we can infer no causal connection. We know that intentional changers were more satisfied with their boards, but we cannot say this was *because* of the changes made.)

It has always been difficult to “prove” how much the board’s performance affects the success of the *organization as a whole*. Too many factors are at work to isolate the effect of just one. There’s also the perennial problem of defining and measuring “success” in the first place. In this study we could do only two things: (1) We asked our respondents if they thought their organization’s performance had improved, worsened, or stayed the same over the past three years. (2) We asked them if their budgets had decreased, increased, or stayed roughly the same. While budgets don’t tell the whole story, most nonprofits prefer budget increases to budget cuts.

Intentional board reformers were far more likely than non-intentionals to say that their organization’s performance had improved and that their budgets had increased or remained stable. Were these positive results because of their board reform efforts? The survey data cannot answer this question.

Are Some Problems Harder than Others to Fix?

We wondered whether those who suffered certain kinds of problems would be more likely to report successful change. In other words, are some problems more difficult to deal with than others?

The answer is yes. The hardest problem to fix seemed to be board members’ attitudes. People who were least satisfied with their changes had problems with board members not attending meetings or not living up to expectations. The most-satisfied people had problems such as confusion over board responsibilities and roles, committee structure, and board meetings.

What Did It Take to Trigger Change?

Change is never easy. But board members—who volunteer their time, often hold high-status positions in the community, and don’t feel comfortable criticizing fellow members—find it especially hard to change themselves.

We asked the “intentional changers” whether any special events or crises prompted their board change efforts. About 60%

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said yes. They cited such triggering events as funding cuts, a new CEO, outside pressure, or new board members. But no *one* trigger was more common than others (“new CEO” was the most frequently mentioned but only by 14% of respondents). Instead, it turned out that a *combination* of events was necessary. Nearly half reported such a combination. For example, a new CEO *and* a new board chair, or a financial crisis *and* new board members, shake up the status quo more than one thing alone.

Who Initiated Change?

The CEO was the single most important initiator of change (20% of the cases). But, again, most of our respondents—64% of them—claimed that it was no one person but a combination that was necessary. This could be the CEO and board chair, board chair and other board members (such as those on the executive committee), or other combinations.

Incidentally, these differences in who and what triggered change had no bearing on the eventual success of the change effort. Once underway, it seems, board change takes on a life of its own.

Were Consultants Used? Were they Helpful?

Almost half the respondents (49%) used an outside consultant, facilitator, or trainer to help with the board change process. But were consultant-users happier than non-users with the results?

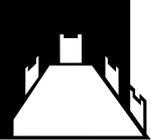
Surprisingly, the answer is no. In almost every case, those who didn’t use consultants were as pleased with the outcomes as those who did.

The one exception was budget size. Those with larger budgets were more likely to use consultants. Again, we can’t establish a causal relationship. But it’s *probable* that this was because the better-off organizations could afford to hire such people.

Was a Special Board Model Used? Did It Work?

It’s amazing how one book has influenced nonprofit organizations all across the U.S. and Canada. Since it was published in 1990, John Carver’s book *Boards That Make a Difference*, and associated articles, videos, and personal appearances by the author, have been extremely popular. (For more on Carver’s works, see “Selected References”).

We asked our survey participants whether they based their change efforts on any pre-existing “model” for how



boards should operate. We asked specifically about Carver’s approach and the long-standing United Way model known as “Boardwalk.”³ Respondents could also write in any other board models they might have used.

Analysis showed that half the sample *did* use a pre-existing model for their change efforts. Of this group, half chose Carver’s model. A further 12% said that they had *partially* adopted Carver’s model, along with ideas from other sources.

Carver insists that his approach will work best only when adopted in its entirety. Thus, we were curious whether those who embraced it fully were more satisfied than those who partially adopted it along with other ideas. We also wanted to know if any other model, or combination of models, produced successful changes. And we wondered if model-users were more successful than those who didn’t use models.

Results showed that model-users *were* more satisfied with their change process than non-users. However, Carver-users were no more satisfied than users of any other model or combination of models. In fact, no one model or mix of models proved more effective than any other one.

Carver-users differed from the rest in only one area: financial performance. They were less likely to have budget cuts and more likely to have budget surpluses. Again, causality is impossible to infer. But it’s tempting to think that the better-off organizations were also larger and more established. Such institutions could better afford to adopt Carver’s approach and, indeed, might find it more appropriate than smaller nonprofits.

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So What?

Given these results, what can we now say to nonprofit leaders about how to improve their boards’ performance? It’s here that we throw caution to the winds and interpret our data in light of our own experiences as board members, consultants, and readers of the large body of literature on boards (see “Selected References” for some of it).

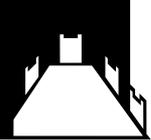
1. Is it really worth it to put the board through some sort of self-improvement exercise?

We can answer this question with a definite “probably.” If you haven’t gone in for planned board renewal before, you should consider it. And if you have, you should consider repeating the process every few years. The mere fact that you take time to focus on the big question of “How are we performing as a board?” can produce important benefits.

However, planned board renewal exercises may not solve all your board problems. Even our survey participants rated themselves on average only between 6 and 7 on a 10-point scale. This is a good grade, but not a great one. And certain problems—namely those that result from not having the “right” people on the board—may not lend themselves to solution by the usual board self-improvement processes. A more directed, “top down” approach may be necessary.⁴

2. How do you get board reform started?

The key is to realize that people will resist changing until they admit there are problems they can fix. To prompt this unfreezing of old habits, this research suggests at least three techniques:



- Perform a self-diagnosis. Have board members anonymously answer a brief questionnaire focusing on typical board problems. (It's amazing how often board members perceive problems but don't want to raise them in a public way, though they will in a confidential questionnaire.) Alternatively, create a small task force of board members, with or without an outside consultant, and have them identify issues that need improvement. *Do not*, however, have them suggest solutions to these problems. The issues should be presented solely for discussion, with the board participating in identifying problems. If we've learned one thing from the past 40 years of studying change, it is that changes work best when those who will be affected have a voice in their development.
- Don't start the change process by yourself. Recruit one, or preferably more, influential allies first. The change process will be faster and smoother if several voices are calling for the effort rather than one.
- Capitalize on circumstances. A formal, planned change process works best when launched on the heels of a crisis or prior change—for example, a new CEO or board chair, a significant turnover in board membership, changing client bases, changes in other organizations in the same field, or pressure from funders. It's hard to motivate change if the same old gang is doing the same old things in an environment that's happy with the status quo. Dramatic calls to wake up to new realities are often necessary. Triggering events help illustrate what these new realities are.

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3. What process works best once you decide to try something?

The research project reported here didn't specify how boards changed themselves—for example, whether they used one or two day retreats, formed special committees, took a week or a year to complete the process, and so on. But we did ask about consultants and found that their use didn't seem to affect the outcome.

Do these results mean that consultants are useless? Not necessarily. The problem is that there are all kinds of consultants, from big international firms to retired board members who want a little extra work. And not all consultants are appropriate for all nonprofit organizations. Some are not qualified; others will "push" approaches that don't fit your organization's history, context, or personalities.

The key to using consultants is to check their track records. Find out what other boards the consultant has worked

for, and call some of them. Ask pointed questions, and steer clear of consultants who don't get enthusiastic endorsements.

4. (a) Should you have a model of ideal board functioning in mind before you start the change process? (b) Is any particular model recommended?

The answer to (a) is "yes"; and the answer to (b) is "no." One of our more interesting findings is that those who went into the board change process with a model in mind were more satisfied than those who didn't. But, when we compared one model with another, no particular one was better. These results suggest several things:

- Model-users may simply be people who take time to read, think, and talk about what makes for effective boards. It may be this process itself that leads to success. In other words, before launching a board reform exercise, check out existing knowledge and opinion. ("Selected References" at the end of this article provide a starting point.)
- There is no "one best way" to run an effective board. Boards are part of the total management system of the organization. Other key groups include management and staff (paid and volunteer). All must have the skills and resources to carry out their responsibilities. But the boundaries between these groups are not rigid, and each must be aware of the others' activities. If one group is unable, for whatever reason, to meet its responsibilities, the others have to help out. This basic understanding is well described in Margaret Harris's article, mentioned in "Selected References."
- What does all this mean for you? It means that your organization must develop its own unique model for how your board ought to operate. You must base this model on your understanding of your organization's environment, history, set of personalities, and culture. The aim of a successful board development process is to find your unique pattern, the one that works for you. ■

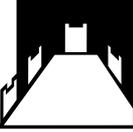
Footnotes

¹In late 1994 and early 1995, we mailed 3,310 questionnaires to nonprofit organizations across Canada and received 851 usable returns—a response rate of 26%. Respondents represented a diverse sample of nonprofit organizations, primarily from Ontario, Alberta, and British Columbia. They came from all possible sub-sectors, such as social services, health, culture, recreation, community benefit, and environmental protection. The mean budget size was \$840,000. In all but 8% of the cases, a paid CEO completed the questionnaire for us.

²Carver's model is described in detail in the publications and tapes noted in "Selected References."

³For more on the Boardwalk training, see Manza in "Selected References."

⁴Most nonprofit board members initiate change by analyzing themselves as a board in a workshop or retreat setting. In such a setting, understandably, they may be loath to admit that fellow members are unsuitable. If board make-up is the



problem, then, it needs to be addressed in a different way. Perhaps a small group of leaders, such as the CEO and board chair, need to take the initiative. These leaders might, for instance, push through new selection criteria and procedures, then not reappoint board members who aren't meeting their responsibilities.

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