

Appendix 3-A

Questions for Building an Effective Board

Years ago, I was presenting a seminar to advanced executives. The topic: how to build effective boards. I'd just started playing with asking the right questions. For this seminar, I developed an entire set of questions about building effective boards. I was mighty proud of those questions!

One of the participants, Henry Goldstein, CFRE, observed: "I think you are missing a question, the question that precedes all your other questions. That is: Do we want effective boards? Does an effective board add any value other than that of fundraising?"

Hank questioned my assumption. Yes, I had assumed that we all wanted effective boards. Certainly I was willing to accept that we might define effective boards differently. And then I had lots and lots of questions following that. But I had not considered the first question: Do we want effective boards?

In the years since that seminar, I've continued exploring "the right questions" and "the most cage-rattling ones." I collect questions from participants in workshops and classes that I teach. Here's today's version of the questions for building an effective board. How would you change any of these 27 questions? What would you add?

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1. What value is added to an organization by having a board? Is the only value-added for fund development?
2. Who defines what is an effective board?
 - a) What role does body of knowledge/best practice play in the development of a quality board and good governance?
 - b) What role does personal opinion—qualified or unqualified—play in this work?
 - c) How do leaders manage the potential for conflict between body of knowledge, qualified opinion, and personal opinion?
 - d) What is the process for creating a shared vision of the effective board for an organization, and the value added by the board to the organization?
 - e) What (and who) is the critical mass necessary for sharing the vision and transforming the board?
 - f) What is the difference between the board and the individual as a board member? How do we communicate this and manage this?
 - g) How do we develop standards of board and board member effectiveness? How do we appraise performance for each and design and manage an improvement process as needed?
3. In general, are nonprofit boards less than effective? If yes, do we really need effective boards or are weak boards adequate for some organizations? Why? Why not?
 - a) Who decides and how is it determined that the board is ineffective?
 - b) If boards are ineffective, what is our responsibility as leaders for the lack of effectiveness and developing that effectiveness? And to what degree are the boards choosing to be ineffective—or simply ending up ineffective through inaction and lack of self-examination?
 - c) Why do board members (and staff) with insight, tolerate ineffective boards?
4. What does diversity mean and what role does it play in organizational development?
 - a) How comfortable is the organization—its staff and board—with diversity?
 - b) To what degree is diversity important to a board or all boards? Why or why not?
5. Groups develop their own cultures (e.g., the way they do things, the way they treat each other). How do we work together to create the optimum group culture for a board?
 - a) What makes groups effective and what hinders group effectiveness?
 - b) How do we understand our own organizational culture and its implicit norms?
(From colleague discussion, AFP New Orleans Conference, April 2009)
 - c) How do we create an environment and culture that nurture understanding, ownership, and accountability? *(From colleague discussion, AFP New Orleans Conference, April 2009)*
 - d) How do we design processes that make things explicit?

- e) How do we address cultural issues within diverse organizations? How do we put them on the table for dialogue and resolution?
 - f) How do we address issues of diversity with a board as we seek to build capacity?
6. What is the role of staff in the process of enabling and developing the board?
- a) What kind of partnership should exist between the chief executive and his or her board?
 - b) What happens if the chief executive and chief development officers do not share a vision?
 - c) If the chief executive and chief development officer are ineffective, can the board be effective?
 - d) Who can destroy an organization faster, the chief executive or the board? Why and how?
7. What does governance really mean? How is it different than and/or similar to management?
- a) What is the concept of the collective and how does this limit the individual board member, board officers, and board committees?
 - b) What does a board do and how do we help board members learn to do it and then help them do it?
 - c) How do we distinguish between management and governance and how does the distinction vary from situation to circumstance to organizational capacity?
 - d) How does a board ensure its accountability (e.g., carrying out due diligence) without crossing into management?
 - e) Governance is a collective act—so that means the board exists only when it is together. How does this affect the nature of board meetings? How do we design and facilitate board meetings to best carry out due diligence and assure institutional effectiveness?
 - What kind of information does the board need to carry out its due diligence function?
 - f) How do we take the experiences, qualifications, and skills of individual board members and build a cohesive board?
 - g) How do board members display group vigilance without signaling distrust of management?
8. What makes a board effective?
- a) What activities and behaviors contribute to group effectiveness?
 - b) To what degree does a board need to understand theory and philosophy—or at least value the key concepts—in order to perform well and carry out strategies and tactics?
 - c) How do we transmit the theory of the collective and governance?
 - d) How do we change and/or model behavior?

- e) How do we strengthen best practice?
 - f) How do we ensure continuity as board members change?
 - g) How do we address issues of leadership succession and ensure that those we recruit focus on the organization's agenda and vision, not a personal agenda?
 - h) How does a board avoid complacency when the organization is sufficiently well managed to avoid crises?
 - i) How do we create a level playing field for all board members, regardless of longevity of service, socioeconomics, education, and so forth?
 - j) How does the board set standards for itself, monitor its performance, and make the necessary changes?
9. What is the optimum way to organize the board to do its work?
- a) What is the optimum structure for a board (e.g., size, committees and task forces, officer roles, meeting frequency, and so forth)?
 - b) What are the questions to be asked regarding functional silos within board operations? For example, the development committee members only talk about development, finance committee members focus on finance, and so forth.
 - c) What is the difference between the board itself and its committees or task forces? How do we define the relationship between the board and its committees, task forces, and officers? What are the limits of authority for these subsets of the board?
 - d) How do we avoid doing committee or task force work at board meetings, while at the same time we inform and engage the board adequately in strategic dialogue and decision-making?
 - e) How is an executive committee different than and/or similar to any other board committee? How does an executive committee add value to the board's work as the legal and moral authority for the corporation?
 - f) What are the limits of officer roles within the collective? How are officer roles distinguished from roles of individual board members?
 - g) What are the right questions to ask about optimum board size? For example: How does size affect diversity in experience and skills? How does size affect candor and strategic dialogue? And so forth.
 - h) Is there a way for leaders to participate in strategic decision-making without serving on the board itself? How would these individuals or bodies (e.g., task forces) link to the board? How do we make both experiences meaningful and useful?
 - i) How do we establish ground rules and the operating behavior of the group, (e.g., maintain, modify, facilitate, evaluate adherence to, sanction, and thank and release)?
10. Does the vision of the "best board" change through the organization's life cycle? If yes, how? How then does the organization define and transform the board as the organization changes?

11. What is the optimum process to identify and recruit the best individuals to serve as board members? How can we enable our boards to see that if they do not take a proactive approach in this arena, the organization will have to live with the consequences, thus impeding its ability to achieve its mission?
 - a) What is the composite of skills required within the board, given its role and accountabilities?
 - b) What are the personal behaviors expected of each board member?
 - c) What are the considerations regarding diversity and networks that will strengthen the board?
 - d) What is the process for articulating and facilitating performance expectations common to each board member, assessing performance, and thanking and releasing?
12. How do we make participation in the board meaningful to the individual as a board member and to the board as a whole? What are the questions that we should always ask if we want to enhance individual board member performance?
13. How do we continue to value and get value from prior board members?
14. When management is highly effective, in what ways might the board become complacent or even impotent?
 - a) How do we keep a board engaged and prepared for crisis rather than complacent and ill prepared for challenges and transformation?
 - b) How do we discuss issues of board effectiveness with the board?
15. If fund development is important to an organization, how do we ensure that fund development recommendations are in concert with what is best for the organization as a whole?
 - How do we ensure that strategies and tactics to build a board that is effective at fund development do not negatively affect the development of a healthy board?
16. How do we create a level of security for risk taking within a board?
 - a) How do we overcome people's general tendency to for risk aversion and saving face?
 - b) What is the appropriate level of spontaneity and risk taking within board work?
 - c) How do we develop an acceptable risk-taking mentality within staff and volunteers?
 - d) What levels of personal and professional risk (e.g., asking questions and disagreeing) can staff and volunteers sustain?
 - e) How do we encourage our board members to ask the essential and cage rattling questions?
 - i. How do we encourage questioning both the questions and the answers?

- ii. How do we discern and clarify the difference between appropriate questioning and disagreement versus dysfunctional behavior?
 - iii. What happens to those who ask questions? Have they been enabled to ask these questions and provided with a safe environment in which to do so?
 - iv. Why do so many boards purge those that ask tough questions and seek to develop a more effective board?
 - v. How do we learn to suspend judgment and question our own assumptions?
- 17. When should questions get raised? Is there an appropriate time or setting? Are there situations where questions might be inappropriate? To what degree is it essential that questions be asked “formally” and in the “appropriate” group?
 - a) How do we learn to figure out what is behind the question so that we can re-state the question and answer the appropriate question?
 - b) Who initiates questions and who answers them?
 - c) Board members may already be asking questions. Are staff listening and hearing what is asked? If not, why not and what can be done to facilitate better listening and hearing?
- 18. How do we engage boards in the process of deliberating and deciding?
 - a) What is the appropriate information—translated into trends and implications—necessary to facilitate dialogue?
 - b) How do we foster conversation that reinforces the body of knowledge/best practice and anticipates next practice?
 - c) How do we design and foster meaningful conversations that stimulate learning and change?
 - d) What are the essential and cage-rattling questions that will stimulate dialogue, and how will we make sure these questions are put on the table?
 - e) *When* is the decision-making moment? *How* do we decide who has the authority to make *which* decision?
 - f) How do we prepare for the moment of decision-making or evaluate if we are ready?
- 19. When is informal and ongoing conversation among board members value-added versus inappropriate behind-the-scenes, exclusionary discussion?
 - How do we design and facilitate disciplined group dialogue, discourage inappropriate and exclusionary dialogue, and encourage ongoing and informal conversation?
- 20. What do we mean by maintenance of the status quo or intentional and planned change? How do we foster a deep commitment to change within the board and staff?
- 21. What do we mean by leadership, and how does it add value to our board and our organization’s work? How do we develop leaders, diversify the nature of leadership, and share power?

22. What constitutes appropriate use of power within the board and what is an abuse of power by the board, its officers, its committees or its members?
- What is the nature of power?
 - How does diversity relate to power?
 - How much power should reside within any individual member of the board?
 - To what degree can the privileged tolerate a level playing field?
 - How do we identify and manage abuses of power within the board?
 - What is actually the role of the board chair (chief volunteer officer) and how can this add value to or detract from the effective operations and decision-making of the board?
23. What do we mean by “political realities,” and will we let ourselves be held hostage by such?
24. Why do we accept and tolerate behaviors from our own board members that we (and they) would not accept in an employment relationship? What effect does this acceptance and tolerance have on the organization, other volunteers and staff, those we serve, and achievement of our mission?
- Why do we expect a certain level of performance, and more quickly take action to correct performance below that level, with financially compensated people than with volunteers?
25. What is the process for transforming a board?
- Who has to participate in defining the current reality and desired future?
 - Who has to participate in the transformation process?
 - What (and who) are agents of change? How do we notice and develop them?
26. How will the future see any change in the role of board and the relevance of the questions asked? Should there be a new governance model?
- Various organizations periodically inquire into the evolution of governance theory and question the validity of governance models. These inquiries typically assume that while traditional governance may work well for some organizations, it doesn't for others.
- What do you think about such an assumption? What are the questions that could be asked during such an inquiry?
 - What's driving the lack of faith and the questioning of existing governance models?
 - What do we mean by “models” or “theories” or “best practice” or “body of knowledge”—and how does all this add value to or detract from the development of an effective board?
27. How are these questions relevant to all organizations, whether grassroots or major? How can the questions be asked, managed and answered, regardless of an organization's type, size or capabilities?