



By Mitch Dorger

In the Board Room

Recruiting New Board Members (Part 1)

As an organizational leader (board chair, governance committee chair or executive director) one of the most important tasks you will have -- and one of the most important things you can do to ensure the future success of your organization -- is to recruit and properly orient high quality new board members. I am sure there are many terrific people in your community that would be pleased and honored to serve on the board of your organization but don't assume that just because someone is interested in serving on your board that they are properly prepared to take that step. As an organizational leader you need to help them ask the right questions and make sure they fully understand the responsibilities they will undertake as a member of your board.

In this issue and the next two issues, I want to walk you through a process for properly educating new board members about their responsibilities before they commit to board service. I have written the column as if I were a third party advising the prospective board member about whether or not they should accept the invitation to become a member of the board. If desired, you can adopt the information into a letter or booklet that you provide to prospective board members. So here goes.

"Congratulations! It is a real honor to be identified as a prospective member of the board. As you consider whether to accept this invitation, there is some information you need to know and understand.

The first thing you need to understand is that being a board member is a job -- and sometimes a difficult, time-consuming job. Your fellow directors already recognize this, and the board believes you have the knowledge, skills, abilities and personality to contribute in a positive way to the future of the organization.

The first question that might come to mind is "What does the board do?" The short answer is that the board guides the

strategic direction of the organization and is the keeper of the mission, vision and values of the organization. The board also oversees the performance of the chief executive hired to carry out the activities of the organization.

Like its counterparts in the for-profit arena, the board is responsible for representing the "owners" of the organization and ensuring that the organization meets the owner's expectations of performance. The big difference is that the mission of your nonprofit is not to earn a financial return for the owners. Instead, the mission is to perform some positive service for the community.

Another major difference between nonprofit boards and their for-profit counterparts is that the ownership of the organization is not as clear as it is with for-profit corporations, whose owners are defined by the ownership of stock. In the nonprofit world, the "owners" are community "stakeholders." Stakeholders would include the membership of the organization (if applicable), volunteers, the beneficiaries of service, and the public in general.

If your organization has been certified by the Internal Revenue Service as tax exempt under the terms of Section 501(c) of the IRS code, you are probably considered a public charity and any assets held by the organization are considered to be held in the public trust. The rights of the "owners" may be represented in your state by the Attorney General who speaks on behalf of the organization's stakeholders with regard to the management of the organization.

So what specifically does the board have to do to carry out its general responsibilities? A leading source of knowledge regarding the management of nonprofit organizations is BoardSource (a nonprofit organization dedicated to improving board governance). In their book, *The Nonprofit Board Answer Book*, BoardSource lists 10 ba-

sic responsibilities of the nonprofit board. These responsibilities are:

1. Determine the organization's mission and purpose.
2. Select the chief executive.
3. Provide proper financial oversight.
4. Ensure adequate resources.
5. Ensure legal and ethical integrity and maintain accountability.
6. Ensure effective organizational planning.
7. Recruit and orient new board members and assess board performance.
8. Enhance the organization's public standing.
9. Determine, monitor, and strengthen the organization's programs.
10. Support the chief executive and assess his or her performance.

Boards can, and often do, assign other responsibilities to themselves if they deem it appropriate. Some of the other common responsibilities that boards assign themselves are risk management, fund raising, and investment management. You should find out what other responsibilities your board has assigned itself.

The most important thing to note is that nowhere in this list does it say that the board manages the operational details of the organization or runs the day-to-day operations of the organization. These functions are not within the purview of the board. The role of the board is governance, strategic direction and oversight. The operational management of the organization falls to either a professional staff or volunteers working under policy guidance from the board.

If you are coming to the board from its operational ranks, you need to leave the operations world behind. Take with you your knowledge and experience in the organization, but you must resist the temptation to continue to try to manage the operational details -- regardless of how much fun or how rewarding this aspect of organizational activity can be. Failure to do this can result in a serious distraction of the board from its governance mission.

To be sure, there may be instances where individual board members or groups of board members have to perform management or operational functions because of the size of the organization. When this occurs, it is important for board members to remember that he or she is not acting as a board member when performing these duties. Instead, he or she is serving as a volunteer for the organization and performing operational responsibilities. This may entail the board member reporting to a staff executive, another volunteer, or even the board as a whole for the performance of those duties.

As a new board member, you also need to clearly understand that you have legal responsibilities to the organization. Yes, legal responsibilities! These responsibilities can have significant personal ramifications

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for you if you fail to carry out your responsibilities in a reasonable and prudent way. Do not despair. In my next two columns, I will discuss these duties as well as how you can avoid any problems associated with being a board member.”

Recently retired as the CEO of the Pasadena Tournament of Roses, Mitch Dorger brings to his new consulting practice more than 40 years of work experience including 20 years as a chief executive officer. His experience as a CEO was consistently characterized by successful performance improvement programs and high employee morale and achievement. He believes the fundamental goal of leadership is to inspire teamwork and the spirit of continuous improvement. He has recent expertise in the world of non-profit organizations and is well versed in corporate governance, volunteer management, financial planning and management, government relations, and large event management. As a public speaker he has lectured on non-profit organizational management, strategic planning, change management and leadership. He has also served as a keynote speaker for four different festival and event association conventions.

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