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Tōpūtanga Tuku Aroha o Aotearoa

Effective Management of Changes in Board Composition

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Content

- Introductions
- Why board composition must be managed
- A 7 step model





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The effectiveness of a governing board is a consequence of the interaction of three main factors:

- Board structure;
- Board process; and
- *Board membership*





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'First who then what'

- Jim Collins ("Good to Great"): get the right people on the bus
- Bob Garratt ("The Fish Rots from the Head")





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The Board building sequence

- Step 1: Ground the board
- Step 2: Recruit the board
- Step 3: Orient the board
- Step 4: Work the board
- Step 5: Support the board
- Step 6: Evaluate the board
- Step 7: Replenish the board



G R O W S E R



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Ground the Board

- Is your board ready to recruit?
- Where is it in terms of its evolution?
- What does our environmental monitoring tell us?
- Is the strategic direction clear?
- Is everyone clear about the board's real job?
- Are we clear about the board's current (and desired) culture?





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Recruit the Board

- Recruiting the board - whose job is it?
- Does taking a deliberate approach to board recruitment only matter to boards/board members that are appointed?
- Who are the 'right' people to direct the organisation's future?
- What recruiting processes are useful?





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Orient the Board

- Induction/orientation - what do we mean when we talk about 'induction'?
 - Carried out well an induction process ensures that...
- Establish clear expectations
- The familiarisation (getting up to speed) process
- Team building





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Work the Board

- The challenge is keeping people engaged, motivated and enjoying the work
- Continually ask - why would people want to join this board?





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Work the Board – ctd.

Find ways to make sure that:

- There is "red meat on the table"
- The workload is manageable and reasonably well shared
- The board has a chance to think for itself not simply react passively to management
- People feel safe and respected
- Board meetings are effective and stimulating
- People feel heard and feel they can contribute
- Their contributions are recognised and appreciated
- People feel things are improving; that things are happening
- The only tension is 'creative tension'
- There is a positive, constructive, mutually supportive relationship between board and CEO/management
- There are opportunities for board members to get to know each other
- Board members feel well supported both collectively and as individuals





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Support the Board

- Don't underestimate or down play the challenges
- Make sure the board has what it needs to do the job well
 - High quality information
 - Time
 - Training and development
 - Support staff
- Create and maintain the right mind set
- Celebrate





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Evaluate the Board

- An essential part of building an effective board
- Frequency?
- Methodologies
- Scope
- In board assessment "you get out what you put in"
- Done well it makes a very big contribution to board and director performance enhancement





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Replenish the Board

- Tenure limits
- Make performance expectations explicit and get feedback (and data) on contribution
- It helps to update the skills matrix
- Dealing with problem directors - are they really problem directors?
 - Diversity, different expectations, role confusion, agendas
- Providing for an honourable exit
 - Term limits
 - Explicit succession planning
 - Recognising contribution
 - Maintaining "involvement" (e.g. Emeritus directors)

