

# Evaluating Nonprofit Board Practices

11.07.17 | Linda J. Rosenthal, JD



Engaging in the useful self-reflection that has marked the philanthropy community especially in recent years, leaders of the sector have been taking a good look at varied aspects of governance. Earlier this year, we highlighted one study by Stanford University, relying on a 2015 survey, in “[Nonprofit Boards: How Effective Are They?](#)” This report suggests that “considerable improvement” is needed for more successful board *performance*, based on the opinions of nonprofit directors, themselves, about whether they are doing well enough, as well as on the conclusions of expert evaluations of “overall quality and performance.” There were nine recommendations arising from this Stanford report, all with the objectives of “ensuring the organization’s mission is focused and its skills and resources are well aligned, establishing explicit goals and strategies tied to achieving the mission, and developing rigorous performance metrics that reflect those goals.”

Now we turn to a more recent survey published by BoardSource. “[Leading with Intent: 2017 National Index of Nonprofit Board Practices](#)” is based on survey data collected in the summer of 2016.

## *Board Practices: Four Categories of Data*

[BoardSource](#)’s mission “is to inspire and support excellence in nonprofit governance and board and staff leadership.” The organization has been “tracking and analyzing trends in nonprofit board leadership since” launching a first national study in 1994. [Leading with Intent: 2017 National Index of Nonprofit Board Practices](#) is the latest report in this series.

Respondents – including board chairs and executives – from over 1,300 nonprofits answered this 2016 survey. They were asked to submit “data and insights about their boards’ composition, practices, performance, and culture.”

The [Leading with Intent](#) survey and resulting report are organized into four broad categories. In the real world, the four are “deeply intertwined and difficult to isolate.” Nevertheless, the separate sections are useful in providing a “framework for exploring the relationship between who serves on a board, how it is structured, the culture it cultivates, and the way that it does its work.”

The distinct sections are:

- “*People: Board Composition and Structure*. Having the right people on a board makes higher performance — in both the board’s internal and external functions — more likely. This report therefore begins with who serves on the board and how they are composed and organized as a collective body.”
- “*Culture: Leadership Culture and Dynamics*. How the board conducts its work — from group dynamics to its relationship with the chief executive — can help or hinder the board’s ability to carry out its work. Likewise, board culture and dynamics are also affected by who serves on the board and the nature of the work that the board undertakes.”
- “*Work: Board Responsibilities*. Boards are charged with many important responsibilities. This section explores how well boards are fulfilling their basic, strategic and adaptive, and external and ambassadorial leadership roles.”
- “*Impact: Perceptions of the Board’s Impact on Organizational Performance*. Ultimately, the most important measure of board performance is the impact that the board has on organizational performance.”

### *Board Practices: Further Discussion*

The editors note that Leading with Intent is not a report with objective, definitive answers on “organizational effectiveness and the board’s impact on them.” Instead, it includes “descriptive” data and perceptions by the respondents of the “board’s impact on organizational performance, and board characteristics that seem to be positively linked to these perceptions.”

It is a “starting point for conversation,” rather than “necessarily a recommendation for board practice.” Along those lines, the report’s final section is on “Opportunities for Board Reflection and Action which provides guidance on how boards can leverage Leading with Intent’s findings as a part of their own organization’s ongoing board development work.”

The Nonprofit Quarterly has taken the initiative in starting discussions on some of these topics. For example, on September 14, 2017, the NPQ Editors opened a conversation with a stark assessment and challenge about board culture in *The Declining Diversity of Nonprofit Boards and What to Do about It*.

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*With all the talk in recent years about diversity on nonprofit boards, you would think that nonprofits across the country might be prioritizing this issue, and by now we might see boards that are more representative of the populations they serve.*

*In fact, BoardSource’s Leading With Intent report shows that diversity has actually declined on nonprofit boards. But the way the research was done provides clear clues to what may be standing in the way of progress. Join us for this important discussion, and please let us know if you want to remain a part of the conversation moving forward.*

## **Conclusion**

This topic – along with the others raised in the 2017 *Leading with Intent* report – is too important to let slide without vigorous participation from within the ranks of the philanthropy community.