



BOARD LEADERSHIP: CHALLENGES AND TRENDS IN THE YEAR AHEAD

New challenges (and some familiar ones) face boards in 2016

lingering economic uncertainty, the need to accommodate millennials, and the ever-present challenge of recruiting and inspiring a diverse cast of new board members — those issues are making 2016 as challenging as ever for nonprofit boards.

Here are four trends that experts see for this year and beyond, along with suggestions for addressing them.

TREND NO. 1: GREATER CHALLENGES IN RECRUITING

Keeping boards populated with members who are a good fit is a never-ending quest. But if you've done any recruiting for your board lately, whether as an executive or board member, you've probably noticed that it's become increasingly difficult to find good board members. Busier lives and schedules, longer hours on the job and perceived liability due to greater public scrutiny of boards: Experts say all those factors are pushing potential board members away from

board service. A comprehensive 2015 report from BoardSource on nonprofit board practices, "Leading with Intent: A National Index of Nonprofit Board Practices," confirms that recruiting board members is indeed getting harder. BoardSource is a national organization focused on good governance practices for nonprofit boards.

On average, the report states, the nonprofit boards surveyed were in the process of recruiting for three positions. In addition, 58 percent of chief executives reported that finding people to serve on their boards is difficult. In 2012, that number was 44 percent.

There's no one solution to the recruiting challenge, although boards that embrace social media to get the word out, as well as a good website that clearly states a mission and interests, may help attract new members. For example, LinkedIn now has a "nonprofits" area dedicated to helping recruit board members, employees and volunteers.

TREND NO. 2: FEWER MEETINGS, SMALLER BOARDS, A DROP IN ATTENDANCE

To every board leader who laments how hard it has become to keep your board's attendance at a high level: Rest assured that the issue is widespread. Just as boards have gradually shrunk in size, the average number of meetings over a year has dropped. Boards now meet for an average of less than 25 hours a year, the BoardSource report states, and half of nonprofit boards meet no more than six times a year. With that drop has come a worrisome decline in board attendance. The trend is unfortunate, the report states, because it means a small number of board members can end up making key decisions. "Low meeting attendance creates greater risk for the organization, as it increases the likelihood of major decisions being made by a minority of board members," the report emphasizes.

Interestingly, the drops in board size, meetings and attendance come even as nonprofit employment, wages

and sheer number of nonprofit "establishments grew steadily each year from 2007 through 2012," according to figures from a report from the Bureau of Labor Statistics (BLS). That growth occurred even through the recession in 2007 to 2009, BLS reports — a time when employment in the private sector declined.

In some cases, the solution to poor attendance can be better use of technology to close the gaps. Technology can streamline meetings by allowing members to better prepare ahead of time — paving the way for more wellinformed discussion. Also, technology such as board portal software and dashboards can be used to get information out beforehand, reduce meeting length, and hold online discussions and "virtual" votes, thus better using members' time in face-to-face meetings.

TREND NO. 3: MILLENNIALS WILL CONTINUE TO CHANGE CHARITABLE GIVING

As the millennial generation comes of age, its motivations for giving to charitable causes — and for serving on boards — needs additional study.

Managing Change with BoardEffect

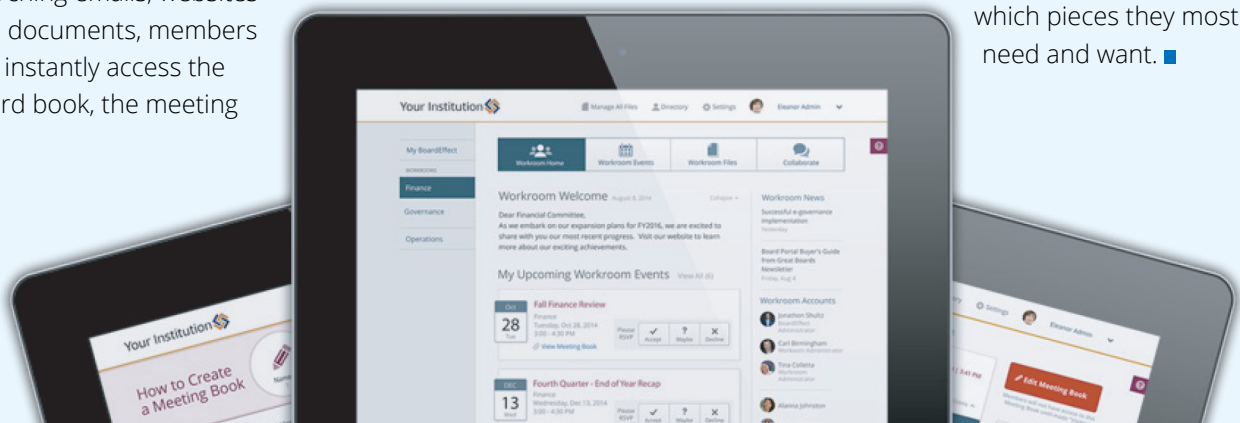
BoardEffect is a board portal software solution for nonprofit organizations designed to help directors, executives and administrators. More than 1,300 leading organizations use the software to manage board-related information online. That includes nonprofits, foundations, hospitals and health care systems, educational institutions, government entities and other groups.

BoardEffect supports the dynamic, nuanced, critically important work of governing bodies with its board portal software. As a custom online front door into your board, the board portal software admits board executives, staff and board members based on credentials, then escorts them directly to the content they need and have permission to access. Instead of searching emails, websites and documents, members can instantly access the board book, the meeting

calendar, financial information, contact information for board members, ongoing discussions — in short, anything you want to offer.

Because BoardEffect is an expert in the success of nonprofit boards and has been working with them for years, its board portal software works just the way you want your board to — smoothly and without hitches. In fact, the software can act as an outside counselor, leading you toward better governance and a better understanding of the complex, cyclical nature of board governance, from the development cycle to the cycles of monthly meetings and annual reviews.

In addition, to fit a wide range of budgets, the BoardEffect platform is modular, so members of board management can select which pieces they most need and want. ■



A 2014 report on National Public Radio by Elise Hu (“How millennials are reshaping charity and online giving”) states that millennials are already changing the face of charitable giving. “With around 80 million millennials coming of age, knowing how they spend their cash on causes is going to be critical for nonprofits,” Hu reported. That means that boards need to embrace new ways of approaching charitable giving. The Ice Bucket Challenge, the 2014 social media sensation, was just one example of what may draw millennials’ interest and passion.

For example, Hu said, expert and futurist Amy Webb, who forecasts digital trends for nonprofits, recommended against using the word “donation.” Instead, use “investment,” which has a different connotation. “That sense of ‘I need to give out of obligation’ — I don’t know that it’s going to be around 20 years from now,” Webb said.

In some ways, millennials may not differ that much from their older, baby-boomer counterparts. According to a recent article in the Salt Lake City Deseret News on a Blackbaud study, baby boomers’ values drive their charitable giving. Boomers — who are expected to give some \$8 trillion in philanthropic dollars and volunteer hours over the next 20 years — seek personal involvement in charities. Although their younger counterparts may turn to social media and digital means for that involvement, in either case, a personal

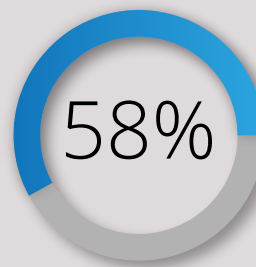
connection tends to influence both volunteer time and giving.

TREND NO. 4: CONTINUED FOCUS ON DIVERSITY

Even as the pool of potential board members in a community seems to be shrinking, board leadership continues to struggle with making boards more diverse — in many cases without much progress. “Board portraits reveal slow progress in racial/ethnic and age diversity,” the BoardSource report states. That’s true despite the fact that a diverse board sends a clear message to the community about the organization’s values. A majority of CEOs report high dissatisfaction with their boards’ racial and ethnic makeup in particular, BoardSource said — even as they recognize that aspect of diversity as highly important in advancing the boards’ missions.

As boards continue to shrink in size, every individual counts. It thus becomes even more imperative to ensure that the board is made up of a cross-section of its community. The solutions for recruiting diverse members aren’t really new — just best practices for boards in general. “Board recruitment should be a continuous and deliberate activity of the full board,” the BoardSource report states. The effort, the report states, should be “led by a governance committee that is responsible for ensuring that the board has the right people, structure, guidelines, and resources.” ■

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