

Board Recruitment

By Beth Deazeley

The Question:

How do we determine who should sit on our board of directors?

The Answer:

Board recruiting is an ongoing challenge for many not-for-profit organizations. The effectiveness of the board has a major impact on the functioning and sustainability of the organization. Directors must collectively have the knowledge, skills and experience necessary to oversee and advise the management of the organization. Directors must work well together, but there should be a creative and healthy tension that comes from the constructive interaction of people with different backgrounds.

Finding the right people to serve as directors is usually the job of the governance and nominating committee of the board. Before beginning a search for potential directors, the governance committee should have a clear understanding of its task. It is critical to carefully determine the required knowledge, skills and experiences, and then conduct a thorough and creative search process.

Board Composition

Appointments v. Elections

Applicable legislation and the organization's constating documents (articles of incorporation, letters patent, by-laws, etc.) set out the requirements regarding the composition and selection of the board of directors. The two primary methods for selecting directors are appointment and election. These may be used individually or in combination.

- **Appointments** are generally made by or through funding agencies, which may be governmental or private. Governments may also appoint members to boards of self-regulating organizations whose activities affect the public interest such as lawyers or teachers.
- **Elections** may be made by the members of an organization, or sometimes by members of the public (*e.g.*, school boards).

Government appointees may be asked to serve on boards to speak to the interests of the appointing body. However, once on the board, their duty is to act with a view to the best interests of the organization. Boards should communicate their expectations regarding qualifications and competencies to the appointing body.

Board Size

The size of the board is related to its effectiveness. The board should have enough members to reflect the size and scope of the organization, meet the needs of committee work, and provide a healthy diversity of views and experience. However, it may be hard for very large boards to conduct effective debates. The board should be small enough to encourage discussion and facilitate collective decision-making, but not so small that it becomes difficult to achieve a quorum or fulfill board obligations.

Director Independence

When considering board composition, governance committees should be mindful of relationships between directors and the organization. Potential directors who are passionate about the organization's mission may already be involved as fundraisers, major donors, volunteers or clients. Such relationships are not necessarily a bar to joining the board but could potentially compromise the board's ability to exercise independent judgment. Even the perception of partiality can damage an organization's reputation. Relationships between directors and the organization may also lead to conflicts of interest that could prevent directors from fulfilling their duties.

Governance committees should ensure that a sufficient number of directors are unrelated to the organization. Often called "members at large," these directors enhance the impartiality of the board and may bring special outside skills and perspectives to the table.

Developing the Director Profile

In order to recruit effectively, clear descriptions of directors' roles and responsibilities are essential. In organizations that expect directors to engage in operational roles such as fundraising or organizing events it is especially important that these expectations be included in the position descriptions and made explicit to prospective directors.

Skills and Experience

The skills and experience needed will depend in part on the developmental stage of the organization. The composition of the board must be compatible with the current status of the organization but also take into account its future directions.

Because of the variety of issues that not-for-profit organizations address, it is impossible for any single director to be familiar with all of the issues that might come before the board. What is important is that the board as a whole possesses the broad expertise needed to oversee and direct the organization. In addition to experience with the sector in which the organization operates, boards also benefit from expertise in areas such as government relations, fundraising, law, accounting, human resources, and project and risk management.

A best practice used in both the for-profit and not-for-profit sectors is to create a competency matrix which lists the skills and experience needed and allows the governance committee to evaluate the skill sets of current and prospective directors against those needed in order to identify any gaps. The matrix should be reviewed and updated regularly to ensure it is aligned with the evolving needs of the organization.

The governance committee may seek the Executive Director's advice on the combination of skills and experience required on the board, but the ED should not unduly influence director selection.

Practical Reality

In practice, many NPOs have difficulty identifying and attracting experienced individuals and recruiting the ideal board. Directors may not have all the desired skills and knowledge. It is important to recognize gaps in the board's knowledge and skills and to remedy them through ongoing director education and development or by consulting outside experts when necessary.

Personal Qualities

The qualities of good directors include:

- **Commitment and interest** – They are available and invest the time to understand and support the organization. They are passionate about the organization’s success.
- **Objectivity and independent-mindedness** – They form their own judgments and are not biased towards any particular interest or stakeholder.
- **Integrity** – They have personal integrity and insist that the organization behave ethically.
- **Courage** – They have the courage to ask tough questions and to voice their opinions.
- **Perspective** – They have broad knowledge and experience that they apply to discussions and decisions.
- **Analytical** – They have well-developed conceptual thinking and problem-solving skills, are quick studies, and can avoid “groupthink”.

The dynamic of a board is as important as the skills, experience and knowledge of its members.

Directors should have the behavioural skills required to work effectively together. These skills include:

- **Ability to present opinions** – They are able to present their views clearly, frankly, constructively and persuasively.
- **Willingness and ability to listen** – They listen attentively and respectfully and make sure they understand what they have heard.
- **Ability to ask questions** – They ask questions in a way that contributes positively to debate.
- **Flexibility** – They are open to new ideas and responsive to change.
- **Conflict resolution** – They are oriented to resolve conflict, are resilient after it occurs, and support board decisions once made.

Where to Find Directors

Identifying qualified individuals who are willing to volunteer their time to serve on an organization’s board takes time, careful thought, planning, and creativity. Boards may use one or more of the following approaches:

- **Members and volunteers** - Organizations with active membership and volunteer programs may identify and encourage individuals who demonstrate the skills and commitment to be an effective director.
- **Contacts** - Organizations may reach out to contacts of board members and senior staff as potential directors.
- **Referral Agencies** - There are a number of organizations that can link not-for-profit organizations with individuals willing to serve as directors. These may include volunteer agencies, specialized director matching services and professional associations.
- **Advertising** - This may be done by placing advertisements in news media (written or online) or by including application information on the organization’s web site.

Approaching and interviewing potential directors will be addressed in an upcoming article.

Further information on board recruiting for not-for-profit organizations can be found in the CICA publication *20 Questions Directors of Not-for-Profit Organizations Should Ask about Board Recruitment, Development and Assessment*, authored by Dr. Richard Leblanc, LLM and Hugh Lindsay, CA . Much of this discussion is based on that publication.

The content above is provided for general information only and does not constitute legal advice. The views expressed are those of the author and do not necessarily reflect those of the Canadian Institute of Chartered Accountants.