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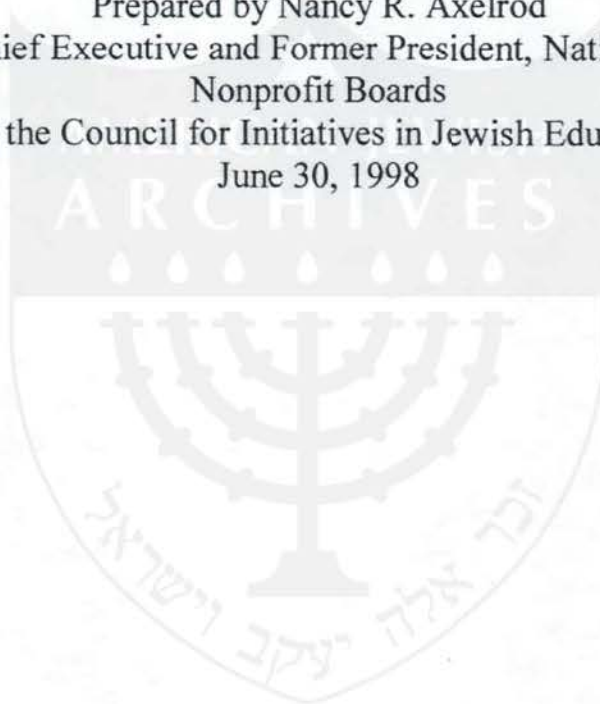
In 1997 and 1998, Ms Axelrod served as vice president in the nonprofit practice of A.T. Kearney, a global management consulting and executive search firm, where she provided consultation for boards and senior management; and managed searches for chief executives and senior managers of foundations, associations, educational and cultural organizations, and other types of nonprofits. From 1987-1996, Ms. Axelrod was the founding chief executive and president of the National Center for Nonprofit Boards (NCNB) in Washington, D.C. The mission of NCNB is to improve the effectiveness of the more than one million nonprofit organizations throughout the sector by strengthening their boards of directors. Prior to her appointment as NCNB's founding chief executive officer in 1987, she served as vice president for programs and public policy for the Association of Governing Boards of Universities and Colleges, where she designed and conducted educational programs for college and university trustees.

Ms. Axelrod has served as a volunteer, board member, and board development consultant to numerous nonprofit organizations. In addition to conducting board development programs for the individual boards of many educational institutions, she has provided board leadership education on behalf of organizations such as the Council on Foundations, Huntington's Disease Society of America, the American Symphony Orchestra League, the National Endowment for the Humanities, National Public Radio, the American Law Institute/American Bar Association, the Public Broadcasting Service, Special Olympics International, the Museum Trustee Association, the American Hospital Association, the Washington D.C. Regional Association of Grantmakers, the National Council on Voluntary Organizations in the United Kingdom, American Red Cross, and CARE, Inc.

Ms. Axelrod is the author of *Creating and Renewing Advisory Boards*; numerous articles and op-ed pieces; *A Guide for New Trustees*, and a contributing author to *The Jossey Bass Handbook of Nonprofit Leadership and Management*. In 1992, she served as a member of the Ad Hoc Governance Committee appointed by the Board of Governors of United Way of America (UWA) to recommend changes in the governance structure of UWA following Mr. Aramoney's departure. Ms. Axelrod is a former member of the Board of Directors of Independent Sector; and currently serves as the vice chairman of the governing board of the Association Leadership Foundation of the Greater Washington Society of Association Executives, and a member of the advisory board of the Initiative on Social Enterprise at the Harvard Business School. Recently, she was appointed to the steering committee charged with reviewing and revising the accreditation standards of the Commission on Higher Education of the Middle States Association of Colleges and Schools.

# **Current Trends, Best Practices, and Future Directions In Board Development**

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For the Council for Initiatives in Jewish Education  
June 30, 1998





### *The Current Climate*

One of the distinctive features of the nonprofit sector in the United States is the way that it is governed. Rather than being governed by stockowners, government officials, or professional managers, its stewards are volunteer leaders from diverse backgrounds who serve as members of boards of directors. The nonprofit board has always been important, but greater national attention is being focused on its role than ever before as a result of a number of forces creating turbulence in the nonprofit world.

These forces include: the rapid growth of nonprofit organizations (and the need for new volunteer and professional leaders); escalating demands for the services that nonprofits provide; increased competition for funds from philanthropic, public, and entrepreneurial sources to finance these services; innovations in technology, and increased public scrutiny. This scrutiny is also coming in the form of growing interest in the U.S. system of nonprofit governance from other countries as more international leaders look to their own nongovernmental organizations to play a more critical role in building and sustaining a civil society. These challenges have underscored what the very best nonprofit organizations have recognized for some time -- the success of a nonprofit organization in advancing its mission will be influenced by the effectiveness of its governing board.

Over the years, the growing interest in the governing boards of nonprofit organizations (as well as for-profit business enterprises) has produced a growing stream of prescriptions, exhortations, and nostrums such as, "The board should make policy and the

staff should implement policy.” These adages make elegant soundbites but they often reflect the “heroic ideal board” -- a highly appealing team composed of wise and all-knowing individuals who fulfill their responsibilities with complete knowledge and confidence; an innate capacity to function as a part of a collective entity; and acquired certainties about the difference between right and wrong.

Fortunately, the growing interest in nonprofit boards has encouraged more research and educational programs that address the actual behaviors of boards, the variables that affect board operation and performance, and the characteristics that seem to make some boards more effective than others. The demand from board and staff members who are hungry for thoughtful guidelines for good practice and advice to help bridge the gap from the theory of good governance to its actual practice has resulted in more attention to governance and board development throughout the sector. It has become a more frequent topic within the conferences and workshops sponsored by the national and professional organizations to which many nonprofit leaders and institutions belong. This demand led to the creation of the National Center for Nonprofit Boards (NCNB), the only national organization dedicated exclusively to improving the effectiveness of nonprofit organizations by strengthening their governing boards throughout the sector, in 1987.

The following two related observations gleaned from NCNB’s ten year experience working with and observing the boards and staff of thousands of national, regional, and local nonprofits suggest both the opportunities and the challenges ahead for any organization contemplating a major new board development initiative. While most



individuals become board members because they believe in the cause and want to be effective, they seldom receive sufficient orientation and continuing education to understand their roles and fulfill their responsibilities. Second, board development at the individual institutional level, remains more widely praised than practiced.

While more organizations have recognized the need for greater attention to the orientation and continuing education of their board members, few have institutionalized the practice of board development. (An exception to this is the encouraging trend of establishing *board development committees*, which delegate to the board the responsibilities for continuing education and evaluation of its members, in addition to recruitment and orientation). If nonprofit organizations were to invest more board and staff time, and some modest expenditures, into the orientation and continuing education of the board, the results would be significant. And yet board development is often not regarded as a priority by a nonprofit until a major problem or even a crisis occurs. The following reasons for this phenomenon may be illuminating to CIJE as both challenges to surmount as well as opportunities to exploit:

- 1) In day-to-day operations, many nonprofits are overwhelmed with dire financial needs and overworked staff and volunteers. Board development consumes dollars, time, and other resources that are not perceived to be available. The fear that individual volunteers have no spare time in their busy lives for board development can become a self-fulfilling prophecy. The resources that must be channeled into board development are often put on hold to attend to the immediate and the urgent.

2) Many executive directors, particularly at smaller to medium sized nonprofits, come to their positions *without* the experience of working with a corporate entity like a governing board. They may assume that once individuals accept the invitation to join a board, they automatically know what they are supposed to do. Or they may underestimate the time it will take to attract, develop, and retain effective board members. Even if they recognize the need, they are often uncertain about how to proceed.

3) For some administrators, the concept of a strong, well informed, and active board is synonymous with an intrusive board. They may be reluctant to educate and engage the board for fear that this will breed surrogate administrators rather than responsible overseers. If the executive director fails to perceive the benefits of a better informed board, board development is likely to be last on a long list of things to do. If the board chair is indifferent to the idea, there is little that can overcome that inertia. Even when there is dissatisfaction with the current performance of the board, the status quo (for example, either an apathetic or meddling board) may be preferable to the uncertainties of changing the rules of engagement.

### ***Past Trends:***

These barriers at the individual institutional level have created opportunities and markets for other providers to deliver board development programs. These providers include: national organizations serving specific mission areas (e.g., American Symphony Orchestra League; Special Olympics International, American Society of Association Executives); state nonprofit associations; regional and local management assistance groups; consulting firms and individual consultants; specialized organizations such as



board banks; the growing number of nonprofit management programs within higher education institutions that have tackled nonprofit governance from a research, teaching, or community service perspective; foundations that provide technical assistance to their grantees; federated national organizations that provide professional development to their affiliates (e.g., Girls Scouts of America, Boys and Girls Clubs of America, National Association of Junior leagues), and governance dedicated organizations such as the Association of Governing Boards of Universities and Colleges, the National School Boards Association, and the National Center for Nonprofit Boards.

Board development services range from short-term educational programs to consulting services to intensive on-site group process programs. Some provide governance standards and best practices (such as the excellent guidelines provided to staff and board leadership of the affiliates of Girls Scouts of America and National Association of Junior Leagues -- two organizations that invest in enlisting and grooming new volunteer leaders). While some of these programs provide more intensive interventions designed to produce systemic change in board and staff behavior and performance, most of these programs tend to be short term interventions and somewhat ephemeral in nature. Those organizations that have developed more comprehensive programs that seek greater impact tend to: treat investment in governance and board development as one of their core values; seek financing from an outside source such as a foundation to launch and conduct some of these programs; and enlist governance experts to design and deliver these programs.



### *Current Trends*

During the past five years, three of the most encouraging trends relating to board development have been: a realization that leadership development and preparation in the nonprofit sector should not be confined to the professional staff members who run these organizations; a movement away from ascribing monolithic characteristics to the more than one million nonprofit boards in the United States, and the millions of individuals who serve as their stewards; and the emergence of distinct models of governance developed by academicians and practitioners that provide practical assumptions and context for board development initiatives. These 3 trends are discussed briefly below.

1) During the last decade, as leadership development programs have increased for individuals who manage (or aspire to lead) nonprofit organizations, the absence of governance in the curriculum was striking. This has changed during the past five years as more nonprofit leaders recognize that the capacity to work with and through a governing board is a requirement for effective administrators; and that the volunteers who govern nonprofit organizations are worthy recipients of leadership development programs. For example, the Fund Raising School at the Center of Philanthropy at Indiana University incorporated governance into its curriculum and began to invite board members to their courses; the Harvard Business School developed a program for nonprofit executives and their board members; and the annual meetings of many national organizations now include special tracks or sessions designed to attract the board members of their local chapters, members, and affiliates. Executive directors who encourage individual board members to engage in board development often are the ones most responsible for recruiting the *board* participants to these programs.

2) While the board's fundamental fiduciary responsibilities are comparable in all nonprofit organizations, the field has started to recognize that the board's responsibilities and performance are measured by a wide range of factors. These include variables such as: the organization's age and developmental stage; its size and scope; the size of the board and the talents, experience, motivation, and commitment of its members; the way that board members are selected; and the leadership styles of the chief executive and the board chairperson—and the chemistry between them.

3) While those with experience serving on and working with a variety of boards understand that there is no best single model of governance or "one best way" in the domain of trusteeship, the field has been enriched by a growing number of governance models that seek to narrow the gap between the rhetoric and reality. Governance models that have helped bridge this gap include: Karl Mathiason's work on board passages which suggests that the roles, function, and members of the board need to be altered to meet the new challenges that a nonprofit confronts as it evolves through distinct developmental stages; John Carver's model of governance which prescribes discrete responsibilities and functions that seek to differentiate between the board's concern with "ends" and the staff's concern with "means"; and Robert Herman and Dick Heimovics thoughtful research on the distinguishing characteristics of successful chief executives and their competencies in working with their boards.

One of the most promising governance studies comes from researchers Chait, Holland and Taylor, who have dedicated twelve years to studying what makes effective boards work and what hinders ineffective boards. While their work has focused primarily on



boards of institutions of higher education, it is of value to most boards and board development providers. Chait, Holland and Taylor conclude that boards must engage in “a new kind of work” that often requires them to act in ways that are very different from the more conventional model of boards as passive or reactive bodies. In *Improving the Performance of Governing Boards* (see **Resources**), these three authors and researchers, themselves longtime board members, note that the most effective boards add value:

- *Helping management discover and decide what matters most to the long-term future of the organization*
- *Providing opportunities for the chief executive to think aloud about issues of importance to the organization*
- *Developing and implementing mechanisms for institutional oversight – ways to monitor organizational performance and progress*
- *Pushing against the organization’s natural resistance to change by using new models and metaphors and different questions*
- *Modeling the behavior the board would like to see incorporated in the culture of the organization -- efficiency, creativity diversity and accountability*

The authors have used this context to develop a matrix of distinct skill sets or *board competencies* that differentiate strong boards from weak boards. To help nonprofit leaders apply this competency-based approach to governance, Chait and his colleagues conducted the *Trustee Demonstration Project* (funded by the Lilly Endowment) to identify a number of strategies and interventions designed to build these competencies.

### ***Future Directions***

The hunger for information about governance issues coupled with the growing sense that there is a correlation between the effectiveness of a nonprofit organization and the performance of its board has resulted in growth on both the demand and supply side of



the board development curve. Key questions for new board development providers to consider include: how to apply the theory of what the board is supposed to do to practice; how to strike the right balance between the diversity and pluralism that can be expected in the participants of most programs and the need to customize and tailor programs; how to offer programs that are distinctive from those offered by other board development providers, and how to convert the need for board development into actual demand from participants who face multiple professional, volunteer, and personal demands on their time.

The following observations may be particularly helpful to a national organization like CIJE that is exploring what role it might play in providing board development to a pluralistic constituency:

1. Board development should be perceived as a continuing process rather than a single event. It is most successful when it is approached in an incremental fashion, and it is especially effective when it is delivered to respected board and institutional leaders who can become either “product champions” of board development to their colleagues, or agents of change in instituting effective governance practices. The most successful programs often have indirect and hard-to-quantify impact (such as instilling in board members the commitment to periodically review their performance, learn from their mistakes, and regularly invest in their continuing education needs as policy makers).
2. Comprehensive and sustained board development efforts undertaken by national organizations typically require external support from foundations and other sources.

Most national organizations provide modest board development programs, at best, because these efforts require additional outlays in the form of fees to speakers, trainers, and facilitators; staff and logistical expenses, and frequently additional support in the form of scholarships to subsidize the fees and travel expenses of board participants when these expenses are not borne by the institution with which the board members are affiliated. In some cases, subtle resistance from administrators who would prefer to maintain these national forums as occasions to network with their peers in a spirit of camaraderie and candor can exclude board members.

3. When it comes to motivation, working with board members is considerably different from working with staff. Professional staff members generally accept the need to continue to improve their management skills and acquire new information and ideas that enhance their personal and professional activities. Because board members are often invited to serve on a board as a result of their expertise or their position in a community or profession, they may view themselves as already equipped to be a productive board member. Also, because boards are a peer body, they are more strongly influenced in their behavior by the behavior of other board members than they are by the behavior of staff. When executive directors are highly motivated to increase the capacity and commitment of their boards, the willingness or unwillingness of the board, particularly its leadership, will influence their desires to participate.
4. Boards are made up of volunteers who have limited amount of time available to give to an organization. Many boards are accustomed to meeting either to conduct routine board business or in times of crises, but rarely focus exclusively on strengthening



their performance. Board development programs must be sensitive to the time constraints that board members have. They tend to appeal to board members when they focus on instrumentality, or matters in which the board feels it can make the greatest difference to the institution. Events involving board members must be scheduled well in advance to get good participation.

5. Executive directors are often the “gatekeepers” to their boards. It is important to include the executive director in as much of the board development activities as possible not only to reinforce the partnership nature of the relationship between board and staff, but also to enlist the executive director’s help in encouraging his or her board members to invest their time in this enterprise as a means of becoming more knowledgeable and effective as stewards.
6. Organizations like CIJE and the National Center for Nonprofit Boards that work with highly heterogeneous constituencies must be sensitive to this diversity in designing board development programs. While the central elements of effective governance may be generic, each nonprofit organization claims to be unique and many have an exaggerated sense of exceptionalism. These self-perceptions require sensitivity in matters of language and vocabulary, and care when it comes to assumptions about governance, leadership and institutional variables.



### *Best Practices*

While the number of board development programs has proliferated, the methods of evaluating these programs have generally not improved along with this growth. Success and causality are often elusive when it comes to measuring outcomes of board development activities. It is difficult, if not impossible, to determine a clear cause-and-effective relationship between participation in professional development and institutional or board-based outcomes. As a result, the success of these programs is generally defined by performance indicators such as the number of attendees and anecdotal evidence acquired through written evaluations and word of mouth.

Nevertheless, the capacity to actually attract board members to board development programs can be revealing. NCNB, which makes most of its programs available to professional staff as well as board members, considers one of the indicators of success to be the growing percentage of board members who attend its national, regional, and local programs. This is often perceived to be the result of satisfied chief executives who attended programs by themselves for the first time to screen their content and judge whether to encourage their board members to accompany them to future NCNB programs.

The following five programs are identified as exemplary because they represent a variety of formats, delivery modes, and learning objectives conducted by established organizations that could be adapted and incorporated into JEWEL's objective of providing an integrated approach to the recruitment, placement and development of lay

and professional leaders. These examples have been selected because they meet at least four criteria: a) they have been successful in consistently attracting and serving board and staff members from a highly diverse universe of nonprofits in terms of size, scope, and mission (many attending the same program); b) some have employed less traditional delivery systems and/or program content; c) they range from short-term, general coverage programs to more intensive and comprehensive efforts, and d) the degree of satisfaction expressed by participants who completed evaluations for the program has been relatively high.

### **1. NCNB's Programs for Practitioners:**

The goal of this program is to increase the access of nonprofit organizations to quality resources that will strengthen the leadership and accountability of their governing boards by offering courses designed for experienced nonprofit practitioners, consultants, and management assistance providers. The curriculum and materials represent the insights and experience that NCNB has gained from working with hundreds of nonprofit boards and thousands of board members and senior staff. Featured courses (which last for two-and-a-half days), include: *Critical Components of Effective Governance*, which seeks to convey the principles of good governance; and *Self-Assessment for Governing Boards*, which provides a self assessment tool and facilitation strategies for consultants to help boards engaged in this important process. Courses rely heavily on small-group work, role-plays and participant presentations to build familiarity with the materials, and to explore its use and adaptation to different circumstances. Ample time is available to explore training and facilitation styles and techniques; and participants receive a binder that contains resources, tools, exercises and sample agendas that support effective board development work. Tuition, materials for the session and all meals are included in the \$400 fee and participants are responsible for covering their own accommodations costs at the meeting site (usually a conference center).

### **2. NCNB's Satellite Workshops:**

To extend its reach to more nonprofit leaders, NCNB conducts interactive board development workshops via satellite to communities across the country. These workshops are live, interactive distance learning experiences where participants can call in with questions or comments for expert trainers and their peer nonprofit leaders in other communities focusing on important issues for nonprofit boards. They are not lectures, but lively discussions of subjects (such as creating a strong partnership between the board and staff), using case studies, and incorporating the questions and comments of the audience. In order to host a workshop, local organizations: must have access to meeting



space with a satellite downlink; provide an on-site facilitator to coordinate activities the day of the event and serve as a facilitator for group discussion and interaction; and are encouraged to customize the event to meet the needs of the community. The local host purchases the rights to broadcast NCNB's satellite workshop in a particular community. The size and scope of the local workshop depend upon the interests and resources of the host organization. A registration fee of approximately \$350 entitles the local host to: a facilitator's guide offering tips on hosting a successful workshop, marketing ideas and tools (including templates on disk) and technical details; a camera-ready workshop guide to photocopy or print for workshop materials that includes course materials, exercises for the attendees, and a bibliography for further study; and a licensing agreement that allows the host to downlink the broadcast for its community. (A similar distance learning program hosted by the Society of Nonprofit Organizations is now offered through PBS).

### **3. Harvard Business School's Executive Education Program:**

The *Strategic Perspectives in Nonprofit Management* is an intensive, six-day residential program designed to help nonprofit leaders acquire comprehensive business skills and a broad, strategic view of general management (including working with boards) in the nonprofit sector. Participants in this program are limited to CEOs, executive directors, and direct reports who have substantial responsibility for strategic planning. *Governing for Nonprofit Excellence: Critical issues for Board Leadership* is a three-day program within the Executive Education program designed to increase the capacity of nonprofit board leaders. Designed for chairs of nonprofit boards and other nonprofit board members assuming significant board leadership roles, this program is characterized by: a strong leadership focus reflected in both the level of the participants and the issues that the program addresses; the use of Harvard Business School's interactive approach and case study method to executive learning; and the Harvard Business School faculty who combine extensive research and experience in board leadership and nonprofit management with significant teaching expertise. The program integrates interactive classroom sessions with structures and informal small-group sessions. The fee of \$2,750 for *Governing for Nonprofit Excellence* includes tuition, instructional materials, accommodations, and all meals. Both of these Executive Education programs are the products of a major "Initiative on Social Enterprise" created in 1993 to respond to the growing social and economic importance of the nonprofit sector and its ever-increasing interrelationship with business.

### **4. The Association of Governing Boards of Universities and Colleges (AGB) Board Mentor Workshop:**

The AGB Board Mentor Workshop is a custom-designed, fully facilitated program that is delivered on site by AGB to the institution requesting the service. Each workshop is led by a trustee from a peer institution fully trained and qualified as an AGB "mentor," who is skilled in group-process techniques and prepared to help boards address general principles of good governance. Using the results of a written pre-workshop survey of all board members as well as telephone conversations with the president and board chair, the mentor tailors a comprehensive agenda to address the specific concerns and interests of



the board and its chief executive. In a retreat setting, the mentor facilitates candid discussion about these important issues and helps the board devise specific strategies to improve its performance. Since the beginning of this program in 1977, more than 500 colleges and universities have participated, many on two or more occasions. The costs for this program include a \$2400 mentor's honorarium and a \$2400 administrative fee to AGB, as well as reimbursements to the mentor for travel, lodging and related expenses. Fees are based on one full day, even if the workshop is scheduled over a 24-hour period, including planning time. This program has been adapted by other organizations such as the National Center for Nonprofit Boards, the American Symphony Orchestra League, and Special Olympics International. AGB also offers a variety of "On-Campus Programs," which enable member boards to participate in a custom-designed seminar, workshop, or discussion led by an accomplished facilitator at a local site.

**5. The American Society of Association Executives Symposium for Chief Elected Officers and Chief Executive Officers and the AGB Program for Board Chairs and Presidents:**

The objective of both of these programs is to foster effective working relationships between these two leaders by providing opportunities to: clarify the responsibilities of the board chair and president for developing the board; explore institutional priorities for the year and determine how best to work together; assess the relationship of the leadership team to the board, its committees, and various other constituencies; gain insights into organizational dynamics; and understand each other's values, desires, interests, and expectations. Both of these programs last for two days. At AGB, the registration fee for each participant is \$1,900 (or \$3,800 per board chair-president team). The fee includes registration, a private room, meals, refreshment breaks, and all instructional materials.

***A Final Word***

Asked to provide ever higher levels of energy, resources and commitment, board members of Jewish educational institutions are being asked to help the institutions they govern do more with less. One of the most important assets possessed by each organization will be a strong and effective board of directors, but good governance and effective trusteeship are rarely achieved by accident. A well considered investment in helping these boards of directors (and their executives) to become more knowledgeable, effective, and engaged is bound to yield a significant return for meaningful change in the institutions entrusted with Jewish education. The future may depend on it.

### Board Development & Governance Resources

See enclosed:

- ◆ **Nonprofit Resource Catalog**, Summer 1998, published by *The National Center for Nonprofit Boards*.
- ◆ *Boards* section of the 1998 Edition of **The Non-Profit Handbook**, published January 15, 1998 by *The Chronicle of Philanthropy*.
- ◆ **Trustee Resource Guide**, 1998-99, published by *The Association of Governing Boards of Universities and Colleges*.

