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Lead2021: The New Playbook for Executive Leaders

Evolution of Board Selection

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A once-stodgy process mired in secrecy and old-school tactics, board selection done well is now focused on competencies, diversity, and skills. It's not about who you know, it's what you know—and can effectively bring to the table.

The board nomination process has evolved from a legacy model of board members paying their dues to climb the ladder to one focused on diversity and competency in leadership. That represents a shift from a previously secretive and mysterious process, says Mark Engle, FASAE, CAE, principal at Association Management Center.

"Boards were often viewed as an old boys' network" steeped in cronyism, he says. Finally, boards are evolving past that, a critical step toward improving organizational performance and achieving high-functioning boards.

In choosing a board, "whatever you decide to do, have a very good reason for doing it," says Beth Gazley, Ph.D., professor of public and environmental affairs at Indiana University and coauthor of *What Makes High-Performing Boards and Transformational Governance*, which describe findings from ASAE Research Foundation governance research. Board selection needs to be "compatible with the organization's sense of representativeness and member engagement," she says, and investing in the process is key.

"The best board member is the one who never serves," Gazley says, because that means they were told enough about the position from the beginning that they realized before it was too late that they were not the right person for the job.

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Competency Counts

An effective board nomination and selection process is no longer based on popularity or paying dues. "That doesn't cut it anymore," says Engle, coauthor of *Recruit the Right Board: Proven Processes for Selecting Critical Competencies*, which builds on ASAE Research Foundation studies. What got a member

onto the board three years ago may not be relevant next year because the board's competency requirements or needs have changed.

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Often when organizations recruit board members, they are looking for subject matter expertise rather than competencies, Gazley says. The former is easier to gauge, but the latter usually is more critical to board success. Particularly in a volatile climate like the current one, subject matter expertise in an area like industry standards might be less valuable than competency in strategic management or negotiation and dispute resolution, she says.

And while you can't measure emotional intelligence or give personality tests to board candidates, it is possible, through the language of the recruiting message, to signal exactly the competencies you are looking for in a new board member.

Define Diversity

Seeking diversity on boards is essential, but diversity is not just about race and gender—it's also about practice setting, career stage, and other elements needed in the boardroom to inform strategy, Engle says.

"We are finally advancing beyond looking in the rearview mirror of who we are, to looking in the front windshield of what we want to be," he says, which requires different competencies and diverse viewpoints and experience. But he advises against giving the impression that the selection process includes a quota system.

Gazley echoes that advice. Having a conversation about what diversity means to the board and what criteria they will use as they recruit members is essential, she says. If board members know why they should seek diversity and what kinds of diversity the board needs, recruiting diverse members is a more organic process and less about checking a box.

Board Skills

Based on ASAE Research Foundation studies, Engle says, the skills that board members need fall into three categories:

- Hard skills are related to a board member's education and credentials.
- Soft skills involve how well a board member can work with others, which includes encouraging a safe environment where people can respectfully disagree.

- Strategy skills relate to how well a board member's competencies match the strategic focus of the organization.

For example, if an organization has an influx of new entrants into the profession who are radically different in the way they work, the board needs to include one or more members who understand how those early-career professionals work and interrelate and what they want to know. Board members with this competency can help the board understand their priorities and help inform how the organization serves them.

Ultimately, a board comprises people volunteering their time. It is a "living breathing organism," Gazley says. "And you have to keep it healthy, nurture it, and take care of the people within it."

By the Numbers

In an ASAE Research Foundation survey of association executives on board nominating processes (Source: Recruit the Right Board: Proven Processes for Selecting Critical Competencies),

- 67 percent of respondents said improvements could be made to their organization's nomination and selection process,
- 46 percent said they found it very difficult to find qualified candidates,
- 52 percent said they consider competencies and skills for board members in specifying board composition needs, [and]
- 60 percent said they assess the needs of the board in the nominating process.