

**The Board Chair's Chair  
is a Tough Seat to Fill:**  
*The Case for a Nonprofit  
Board Leadership Institute*

**GIVE. ADVOCATE. VOLUNTEER.**

**United Way of Southeastern Pennsylvania**

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*When nonprofits are led by capable staff and volunteer leadership reflective of the communities they serve, when they are equipped with passionate and skilled board leadership, the lives of countless individuals are improved and communities are strengthened.* – Ann Schmieg, Senior Vice President, Community Impact, United Way of Greater Philadelphia and Southern New Jersey

## **Acknowledgements**

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# United Way of Southeastern Pennsylvania

## The Board Chair's Chair is a Tough Seat to Fill:

### *The Case for a Nonprofit Board Leadership Institute*

#### EXECUTIVE SUMMARY

Despite increased attention nationwide to the leadership development needs of nonprofit boards and board members, there is an absence of offerings targeted to the leader of the volunteer leaders – the nonprofit board chair. Having assessed the local (and national) landscape over the past two years to determine the unmet needs of these board leaders, the United Way of Southeastern Pennsylvania (UWSEPA), in partnership with The Philadelphia Foundation (TPF), will launch a Nonprofit Board Leadership Institute (NBLI) this spring to provide nonprofit board chairs with some of the knowledge, tools, and support they seek. A series of focus groups, interviews, and surveys among local board chairs, executive directors, and funders informed the content and format of this pilot program, designed to bring board chairs together with their peers, as well as with their respective executive directors, for joint learning opportunities.

To minimize the impact on leaders' schedules, the NBLI will be presented as two mini-conferences, each beginning on a Thursday evening and resuming the following Friday morning. These sessions will provide opportunities for networking and informal peer support, as well as "symposiums" on the following topics:

- Board roles and lifecycles of organizations
- The Board Chair/ED relationship and building the board (board development)
- Board finances and financial management
- Fundraising in today's economy and funding alliances

Research indicated that board chairs from organizations in the \$1-5M range would be most interested in participating, so the target audience for this pilot program will include up to 50 ED's and incoming (or incumbent) Board Chairs from 25 local organizations of that size. To encourage participation, UWSEPA and The Philadelphia Foundation each will provide \$5K matching grants for up to eight participating organizations in the NBLI, so organizations that successfully compete in an application process will receive \$10K to implement some of the improvements their board chair/ED teams recommend to their boards. UWSEPA's strategic partnership with The Philadelphia Foundation demonstrates a shared commitment to building nonprofit capacity and collaboration

throughout the sector. The Nonprofit Board Leadership Institute will be a forum for fostering leadership development among board chairs, as well as for promoting best practices in nonprofit leadership among participants and presenters alike.

Experts estimate that leadership development is a \$60B industry, essentially highlighting the expectation that successful organizations will invest in their leaders. Nonprofits concur, as evidenced by the growing number of opportunities for Executive Directors, senior management, new board members, and even whole boards to participate in programs that enhance leadership capacity. Notable, then, is the absence of offerings targeted to the leader of the volunteer leaders – the nonprofit board chair.

Board chairs volunteer their time to lead the board, partner with the Executive Director, and facilitate the governance function of the nonprofit organization typically without the benefit of formal instruction or guidance. Having assessed the local – and national – landscape over the past two years to determine the unmet needs of these board leaders, the United Way of Southeastern Pennsylvania (UWSEPA) in partnership with The Philadelphia Foundation (TPF) will launch a pilot program this spring to provide nonprofit board chairs with the knowledge, tools, and support they often crave in meeting their commitment to the sector.

#### Noting the Need — How We Got Here

As indicated in our *Agenda for Community Solutions* (June, 2007), UWSEPA is committed to "supporting a vibrant nonprofit sector with the resources and leadership to innovate, embrace best practices and engage in continuous quality improvement. And this requires an active citizenry that shares its time, talent and resources by volunteering (and) assuming leadership roles in our community's nonprofit organizations..."

While UWSEPA recognizes that nonprofits must embrace best practices within their programs, we also contend "it is equally important that they embrace ongoing quality improvement for their organizations as a whole." Among other things, they need...strong and effective boards of directors and many of the same basic business practices that exist in the private sector in areas such as human resources..."

Given our interest in supporting efforts to build board leadership capacity throughout the region, the

United Way of Southeastern Pennsylvania (UWSEPA) teamed with a group of Wharton MBA candidates in 2010 to assess the local landscape and determine precisely how. The group identified several programs to promote board education and also found a gap in programming to support individual board leaders and officers in executing their roles successfully. In response to a perceived need, they developed a business plan for a Nonprofit Board Leadership Institute (NBLI).

As a next step, UWSEPA and its volunteer Nonprofit Excellence Council (NEC) set out to investigate further the assumptions presented in the business plan regarding demand, content, and format for the NBLI. To that end, we teamed with a consultant to test assumptions and inform next steps through a series of focus groups, interviews, and surveys. Through these efforts, we identified numerous opportunities and challenges around nonprofit board leadership that can be addressed through the NBLI.

### The Upshot – What We Learned

The common overall themes that emerged from the board chair survey were informed and reinforced by the focus groups and supplemental research, indicating that board chairs crave and would benefit from some form(s) of tailored leadership development offering(s). While the surveys reveal a range of possibilities, in terms of additional topics, venue, and logistical preferences, most respondents indicate that opportunities to bring board leaders together with their peers, as well as with their respective executive directors, would be appealing. Due to pervasive time constraints among board leaders, they would be most likely to attend such events before or after the workday, or during lunch, on a quarterly to annual basis. The board leaders most likely to participate are those serving nonprofits with budgets under \$5M, as they typically do not bring the same experience, expertise, or peer networks as their counterparts in larger organizations.

### Research Summary – What We Heard

#### Focus Groups

Having conducted five focus groups with three distinct stakeholder groups (nonprofit executive directors, funders, and board chairs), we initially uncovered diverse perspective on the leadership development needs of board leaders. Each stakeholder group offered unique insight on the role of board chairs – and, indeed, boards of directors – in a nonprofit organization, which can be summarized as follows:

- **Executive Directors**  
This group recognized the drain on volunteer leaders' time and often opted to work around – rather than trouble – them. Some EDs reported

that numerous chairs hadn't previously understood the role enough to decline it based on other commitments. EDs also noted a common misalignment between board function and organizational need, due in part to changes in organizational life cycle or leadership. In addition, some ED's indicated that cultivating relationships with their board chairs is a significant investment that they want to better leverage and protect. To that end, this group championed leadership development opportunities for board chairs and ED's *together* to ensure that ideas and initiatives that a chair might bring back are developed in the context of organizational realities.

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- **Board Chairs**  
This stakeholder group acknowledged that volunteer leadership is a passion, not a job, so relevant expertise might be limited and time is a critical variable. Some suggested that board members who work in the for-profit sector might not view their volunteer roles as seriously, while others cited a lack of knowledge about how both the nonprofit organization and the nonprofit sector actually work. They also noted there are positions dedicated to promoting leadership development in for-profit companies that have no equivalent in the nonprofit sector. As a result, board chairs were eager for knowledge and individual support around their board leadership roles.
- **Funders**  
This group questioned what the leader (board chair) is leading since volunteer boards often are unclear about what they should be doing. They suggested that the stage of organizational development is a key factor, as size and visibility influence who sits on a board and how the board's role is interpreted. Most funders agreed that systems for recruiting, mentoring, and dismissing board members are lacking, yet crucial.

Perspective varied within this stakeholder group among corporate, government, and private foundations. The former, in keeping with corporate philosophy on leadership development, already offer ongoing leadership development programs to corporate employees who serve on nonprofit boards. Some others suggested there are enough programs already

available to prepare board members for leadership, so increased funding and incentive are all that are necessary to enhance board leadership capacity. Still others indicated that board leaders need real training and mentoring to execute their volunteer leadership roles effectively.

### [Online Survey of Board Chairs](#)

As anticipated, participants' suggestions varied by the roles they played in their organizations, not to mention the types of organizations they served. Their broad perspective was instrumental in designing a board chair survey to include a wide range of possibilities for program design, content, and format. A resulting survey was distributed to 287 board chairs in the region. Key findings among the 86 leaders who responded are as follows:

### [Demographics](#)

In relation to the boards they currently chair, most participants had served as a board member for 4-10 years before stepping into their current roles and almost all had held other board leadership positions previously. The majority of chairs had served in their current positions for three years or less and most had served on at least one other board. In addition, three-quarters of respondents represented organizations with annual budgets under \$5M.

**Board Chairs noted lack of time as a top challenge in leading their boards.**

### [Key Challenges for Board Chairs](#)

Board chairs noted the following top challenges in leading their boards:

- Lack of time.
- Board culture (i.e. “working” or hands-on board) and/or the misalignment between board culture and current stage of development (ie. start-up, growth, maturity).
- The board’s willingness (or lack thereof) to grow beyond the organization’s current stage of development.

### [Areas of Focus for Better Board Leadership](#)

Board chairs identified the following top areas of focus that would help them better lead their boards:

- Fundraising.
- Board building was a popular theme, with over half (51%) citing board recruiting, 42% citing board development, and 25% citing board assessment and evaluation.
- Increased familiarity with/access to best practices in board governance.

### [Logistics](#)

In reference to participating in programs designed to support them, board chairs overwhelmingly indicated interest in the following formats and frequency that might appeal (listed in order of preference):

- A summit or conference for board chairs and executive directors (either annually or semi-annually).
- Networking (quarterly or, for some, monthly or semi-annually).
- Panel presentations by board leaders (annually, quarterly, or semi-annually).
- Peer support (quarterly, semi-annually, or annually).
- Access to a clearinghouse for information/opportunities on board leadership (monthly or quarterly).
- Receiving mentoring by seasoned board leaders, which was slightly more popular than providing such mentoring (quarterly or semi-annually).
- Serving as a panel participant (annually).
- On-site consulting at board meetings (quarterly or annually).

The areas which generated high levels of disinterest included: blogs, appreciation or awards events for board leaders, one-on-one coaching, and webinars.

As for time of day, over half expressed a preference for early morning (before 9 am), followed by lunch time (12-2 pm) or evening (after 5 pm). Weekends were least preferred.

**In the region, offerings are focused mostly on expanding training/education for intact boards and aspiring or new board members.**

### [Additional Research](#)

Finally, through online research and personal interviews with nonprofit leaders and consultants, we learned more about trends and offerings at a local and national level that informed how we interpreted the board survey data. In the region, offerings are focused mostly on expanding training/education for intact boards and aspiring or new board members. Two notable exceptions are: 1) the North Penn Nonprofit Academy, a program of the Greater North Penn Collaborative for Health and Human Services in Harleysville, PA, which offers a series of workshops and events designed to provide professional development opportunities for nonprofit leadership teams, typically including staff and board leadership, and 2) the

Geraldine R. Dodge Foundation, a private foundation in northern NJ, in collaboration with The Nonprofit Center at La Salle University's School of Business, through which board members and ED's are required to attend a workshop series together. Their organizations then are eligible to apply for matching grants to fund consulting projects in any areas that their boards identify as priorities.

Beyond select online offerings in the area, the only focus on individual board leaders is a new initiative of the Chester County Community Foundation, which launched a day-long program of training and networking opportunities for board members of local nonprofits.

Nationally, we identified numerous programs that bring together executive directors and board chairs/officers for educational and practical work sessions. Most of these offerings are geared to specific market segments, reflective of geography or organization type (i.e. universities and colleges), and reflect a best practice in board leadership development. Increasing numbers of umbrella organizations (specifically, foundations and industry associations) are offering programs and opportunities to enhance board leadership skills among their constituents.

**Reviewed in context, our research findings illustrate the paradox of the nonprofit model.**

### **Culling the Data – What We Think**

Reviewed in context, our research findings illustrate the paradox of the nonprofit model. The diversity of leadership perspective and experience, along with sheer determination, enable the sector to achieve goals and serve needs well beyond its estimated capacity. At the same time, the broad range of skills and expectation among nonprofit board leaders (as well as paid executives) can compromise efforts to move forward effectively, despite unwavering passion for a cause.

Our research showed that key stakeholder groups agree the volunteer board leadership function is not optimally executed in most organizations for a multitude of reasons, including individual capacity, board receptivity, and organizational readiness. To promote continuous quality improvement at the organizational level, we must support the volunteers charged with leadership and include the board chair role in capacity-building and leadership development priorities.

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Having established that most existing local offerings in board leadership development provide education/training opportunities to intact boards, aspiring/new board members, and sometimes board/ED teams, we recognize a gap in local offerings focused specifically on board chairs. We also recognize that the diverse perspective of key stakeholder groups can inform the goals, structure, and outcomes of the NBLI.

**In essence, Executive Directors recognize their relationship with the board and board chair as necessary, but “draining”.**

In essence, Executive Directors recognize their relationship with the board and board chair as necessary, but “draining”. Their primary interest is in finding joint leadership development opportunities that strengthen their partnership with their board chairs. Though funders might debate the importance of governance, as compared to management, some also tout the value of leadership development opportunities for board leaders, citing relevant programs that exist within corporate organizations. Finally, board chairs themselves struggle with time constraints, yet hunger for knowledge and support in more effectively leading their boards. They intend for the time they spend away from home and work to have tangible impact. (This focus group population was half the size of the others, as volunteer leaders were less available to participate in this aspect of our research, reinforcing the need to develop and implement a widespread survey of board chairs.)

From the survey data, we noted the following key points:

Broadly-interpreted need – given diverse perspective even within stakeholder groups about leadership development needs, it is important to specify what aspect of the gap we aim to address within the context of market need and constituent priorities.

- Board chair/ED partnership – in keeping with best practices, a potential board chair/ED “summit” or conference is the top preferred format option among respondents in this region, followed by opportunities for networking, peer support, and panel presentations, and access to a clearinghouse for relevant information.

- Culture and organizational life cycle – broad-based uncertainty about what the board leader is leading stems from a lack of awareness about organizational stage of development and its relationship with board culture.
- Board development – the full spectrum of board building (including board development, recruiting, assessment and evaluation, and orientation) is a key concern among board chairs (as well as funders), who want to promote board accountability.
- Logistics – lack of time is the primary challenge for board leaders, leading them to select early morning (before 9 am), lunchtime, or evening hours for possible program offerings.
- Market characteristics – survey data showed that UWSEPA’s target market is board chairs in organizations with budgets under \$5M, as these leaders typically do not bring the same level of experience or exposure as their counterparts in larger organizations do.

All of the above findings have shaped our thinking about the goals, content, and format of the NBLI.

### The Action Step – What We’re Doing

**UWSEPA aims to support local nonprofit organizations and, through them, the nonprofit sector by promoting efforts to enhance the leadership capacity of their board leaders.**

To further support “a vibrant nonprofit sector with the resources and leadership to innovate, embrace best practices and engage in continuous quality improvement,” UWSEPA will launch a pilot NBLI program this spring that incorporates the critical elements uncovered through our cumulative research. We aim to support local nonprofit organizations and, through them, the nonprofit sector by promoting efforts to enhance the leadership capacity of their board leaders.

First, in response to board chair requests, the NBLI pilot will address key findings from the board chair survey in the following manner:

- Broadly-interpreted need – To leverage the joint learning opportunity, participants will attend four, half-day, “mini-conferences”/symposiums, providing opportunities for networking and informal peer support.
- Board chair/ED partnership – Board chairs seek leadership development opportunities and best practice indicates they must not learn in a vacuum, so the NBLI will be designed for board

chairs and their ED’s to attend together, enabling them to expand knowledge, build skills, and enhance their working partnership.

- Culture and organizational life cycle, board development – To reflect the concerns of board chairs, EDs, and funders alike, topics for the four “symposiums” in the pilot will include:
  - Board roles and lifecycles of organizations
  - The Board Chair/ED relationship and building the board (board development)
  - Board finances and financial management
  - Fundraising in today’s economy and funding alliances
- Logistics – The four sessions will be combined into two mini-conferences, one month apart, each beginning on a Thursday evening (5:30-8:30 pm) and resuming the following Friday morning (8:00 am – 12:00 pm), in order to minimize impact on leaders’ schedules.
- Market characteristics – The target audience for the pilot NBLI will include up to 50 ED’s and incoming (or incumbent) Board Chairs from 25 local organizations in the \$1-5M range.

### Additional Features

The Philadelphia Foundation has signed on as our strategic partner in launching the NBLI. This alliance demonstrates our shared commitment to building nonprofit capacity as well as to promoting strategic alliances and collaboration throughout the sector. Together, we recognize the need to strengthen nonprofits, which collectively function as a critical element of our social safety net, and support their leaders in leading them.

As demonstrated by the Geraldine R. Dodge Foundation in NJ, organizations are more inclined to invest significant time and effort into leadership development when they believe their new knowledge can be applied practically. To foster this investment, UWSEPA will provide grants for up to eight participating organizations in the NBLI. Our \$5K contribution per organization will be matched by The Philadelphia Foundation, so selected organizations will receive \$10K to implement some of the improvements their board chair/ED teams recommend to their boards. In closing, the Nonprofit Board Leadership Institute will be a forum for fostering leadership development among board chairs as well as for best practices in nonprofit leadership – and collaboration – among participants and presenters alike.

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