

## **RECRUITING BOARD MEMBERS – WORKING WITH A NOMINATING COMMITTEE**

For too long, not-for-profit boards have remained a coy social group, not always adding value to the strategic development and operations of the organisations on whose Boards they sit - yet CEOs cannot get their strategies off the ground unless they have a capable Board to endorse and support them. It's all about cause and effect.

The problem often results from the way in which Directors were recruited in the first place. Sometimes, Directors are recruited merely because they are old chums. I knew of one aged care organisation where four of the ten Board members were all friends from the same Rotary Club. Poorly selected board members don't always provide the leadership that NFP CEOs are seeking. The situation is compounded when one thinks of publicly funded institutions where some board members are government appointments, who see themselves as "watch dogs" whose role is to promote the policy of the government of the day.

So what should we be doing?

The Directors should be chosen for the qualities needed by the organisation not just today, but for tomorrow as well. In organisational theory we differentiate between management rowing and the board steering. With some organisations, the board members are merely passengers, spectators, or some who have completely missed the boat!

So how do we go about recruiting board members who will help our organisations to grow – and assist management to achieve their goals?

There is no such thing as a magic bullet, nor will the appointment of a big name rescue an organisation that is in trouble. Appointing the right board can be a slow process and that is why it must be tackled strategically and thoughtfully. This is where the challenge is tackled by creating a nominating committee.

The role of a nominating committee is to ensure the sustainability of effective board leadership through seeking and recommending board members who will provide the leadership required by the organisation as it moves forward strategically into the future. We interview carefully before we employ a clerical worker, but our most important people – our board members – are often recruited haphazardly.

Before you appoint a committee at random, however, you need to align with your Constitution, create a charter with a purpose and a mandate, and gain the approval of your board. Issues that need to be addressed include length of appointment of existing and new Directors, eligibility, retirement, and (most importantly) a gap analysis that reflects the organisations' strategic plan.

Members of the nominating committee often include external people – this helps to ensure that recommendations are more objective. The externals, however, should be familiar with the mission and values of the organisation and the environment in which it operates.

Nominating committees will endeavour to identify potential candidates for board membership and confidentially invite them to discuss the possibility of a board appointment. The nominating committee should also conduct a due diligence on the individuals, interviewing them, conducting reference checks, and ensuring that they meet the needs identified on the gap analysis. In some circumstances, where it is difficult to recruit potential board members, organisations sometimes advertise a board vacancy or employ executive search consultants to undertake the task for them. It is sometimes more effective to appoint two or three board members at the same time if you want to introduce change. New board members introduced individually can easily be absorbed into a poor culture and won't be able to make the impact for which you had hoped.

Once the new director has agreed on an invitation to join the Board, it might be necessary for the person to stand for election at a general meeting of members. It is therefore important that people you put forward should be of sufficient competence, experience and reputation that their election will not be a problem. Alternatively, if your constitution permits, you may co-opt the person for an initial period of one year before seeking election.

A crucial role of the nominating committee is to conduct a skills audit of the existing board to fulfil the needs of the strategic plan, and to conduct a gap analysis. Never recruit an individual merely because the person is a 'billionaire' or a big name around town. If you are trying to revitalise the board, they might do just the opposite and take over control. I think of a particular board where the board members kept their eyes fixed on the wealthy individual because no board member could afford to put him offside. Remember you're recruiting Board members to carry out a governance function – you'll need people who can contribute at a governance level, rather than meddling in the operations.

Finally, when you have found your talented board members, and they have been duly elected, don't leave them to flounder at the first board meeting. It is essential that the nominating committee also provides a well conceived induction program to ensure that the new board member is familiar with the operations of the organisation, its systems of reporting, the key executive management, and has a familiarisation visit to some typical service areas. Nobody likes to get off to a bad start, so the Chair (or another senior board member) should "buddy" with the new board member for the first few meetings to enable the new board member to ask simple questions, be given friendly advice and encouraged to contribute constructively at board meetings.

CEO's cannot make progress unless they have the support of the board so it's crucial to link your board composition to your strategic plan and ensure that you get the right board members "on board".

You don't want to be stuck with a boatload of passengers and everyone else waving goodbye from the side of the river.