

Enhance Attrition or Thank and Release? Firing Lousy Board Members

by Simone P. Joyaux, ACFRE

If you want a well-functioning board, recognize the gravity of governance and enable board members effectively. And, in the event of a nonperforming board member, gently—but firmly—release.

YES, YOUR ORGANIZATION SHOULD fire nonperforming board members. Of course, that means you must define good and bad performance.

You must articulate standards and communicate them.

You must conduct screening interviews before nominating board members.

You must monitor and evaluate performance.

You must fire nonperforming board members in ways that don't cause pain—to them or your organization—and you must find the guts to do this.

Are you overwhelmed yet? Thinking maybe it's easier to just keep lousy board members?

No! Stop that kind of thinking right now. Just stop it!

Let's start at the beginning.

First, serving on a board is serious

business. The board is accountable for ensuring the health and effectiveness of the corporation. That's what corporate governance means.

Serving on a board is hard work that requires business acumen, strategic thinking, and the willingness to challenge staff and fellow board members.

Serving on a board requires advance reading and regular meeting attendance.

Serving on a board requires that board members inconvenience themselves to learn new stuff and attend meetings when they'd rather celebrate Valentine's Day or a birthday.

Serving on a board is like being hired for a job. But you aren't paid when serving on a nonprofit board.

Since board service is that important and serious, inadequate performance is a serious offense. Repeated inadequate performance demands termination, just like in any job.

Step One: Understanding the Importance of Governance

In my experience, the executive director and board members often don't understand the seriousness of governance.

I use two different approaches to help organizations, staff, and board members understand the importance of governance:

- Gracious gentle approach: "How about a little health checkup to ensure that your governance is top-notch? Let's assess your governance."
- Shock-and-awe approach—often the necessary choice: "Scandals abound in both for-profit and nonprofit sectors. Many of these scandals are governance failures. Governments are increasingly frustrated. They're new at inventing laws and regulations. It's just a matter of time before donors get fed up, too. Some already are. So let's make sure your governance is top-notch."

Too many executive directors don't know the basic principles of corporate governance. Too many executive directors don't know how to help the board and its members do governance. In fact, too many executive directors see the board as a distraction, a frustrating idiosyncrasy required by government.

These execs don't recognize their leadership role. They complain about board performance but don't accept their responsibility for effective enabling.¹ Some executive directors disempower their boards, denying governance accountability.

The bottom line: without accepting the seriousness of governance, you're in trouble. The other bottom line: without effective enabling by staff, it's difficult for boards to do governance well. If staff cannot enable effectively—and even if they can—you may want to recruit an experienced governance expert for your board.

Remember, board service does not mean an individual is a governance expert. In my opinion, most boards don't do governance well—including really sophisticated boards with high-powered important people serving. Serving on a board doesn't make someone an expert in governance. Sometimes those board members aren't even adequate.

Another First Step...

Understand the distinction between the board and the individual board member!

The board is a group. Corporate governance is a collective act. Governance only happens when the board comes together. The board is accountable for very specific things.² Things like:

- Defining values, mission, vision, and strategic direction;
- Ensuring financial sustainability by adopting a budget and fund development plan, and monitoring performance;

- Hiring, appraising, and firing the chief executive; and
- Ensuring legal and regulatory compliance.

The board member is part of the group that is the board.³ The board member has no individual authority. The board member has responsibilities to the group—regularly attending board meetings, giving annual financial contributions, etc.

Step Two: Standards and Recruitment

You wouldn't hire a staff person without explaining the job and performance expectations in advance. The same holds true for recruiting board members. Your board must adopt a board job description and performance expectations common to all board members.

Before adopting these policies—or any others—*talk*. At a board meeting, explore ideas and concerns. But remember, a body of knowledge documents the role of the board—and it's pretty much the same for any board of any type or size. The same holds true for board member performance expectations.

With shared understanding in place—and policies defined—identify candidates that bring the right attitude, behaviors, and skills to the table. Pay attention to diversity and pluralism—from gender to generation, sexual orientation to socio-economics, race/ethnicity to networks. Make sure you're recruiting for the skills necessary to fulfill the board's job.⁴

Your screening interview is as formal and detailed as any job interview.⁵ Ask candidates about their experiences and expertise. Clearly communicate the role of the board and performance expectations of the individual board member.

Step Three: Orient and Develop

Remember that staff enables the board, its committees, and individual board members to do the right work well. Staff

does this regularly and forever. Good bosses do the same thing with staff: enable people to succeed. So, conduct a comprehensive orientation process for newly elected board members. Regularly offer skills development for board members. Always set the context for conversations at board meetings by reminding board members of policies and procedures, systems and processes.

Step Four: Monitor Performance

You can't evaluate performance without articulating expectations first. You can't fire someone without comparing his performance to clearly articulated expectations. You can't fire someone without first providing feedback and the opportunity for improvement.

The board's governance committee does just about every step described here.⁶ The board establishes a committee to provide leadership, in partnership with the executive director. The executive director enables the committee. The committee reports to the board. The board talks about stuff and takes action.

As a board chair, I call board members who are absent. I don't care if the board member RSVP'd her absence. If she's absent a couple of times, I'm calling to touch base. I find out what's happening. I remind her, graciously, of the performance expectations and how much we all value her input and participation.

The executive director, board chair, and governance committee talk about board member activities elsewhere in the organization. At some point, if there's sufficient concern about performance, the governance committee takes over.

Step Five: Finally—Feedback Time

The governance committee speaks formally with the board member about her performance. No staff person does this! The board chair is not in charge of doing this. This is governance committee work.

A member of the governance committee speaks with the nonperformer. This is a formal conversation, not a casual mini-mention. No firing. No nastiness. But an expression of concern about not fulfilling agreed-upon standards. Probe to see what's going on. Clearly state that this is a concern and needs to be fixed.

The governance committee representative is trying to help the nonperformer think this through. The nonperforming board member has to commit to improving—and improving now. Talk about what that looks like.

Sometimes there might be two formal conversations providing feedback and asking for change. But really, only twice. Then it's time to end this.

Step Six: Enhance Attrition or Thank and Release

Aim to “enhance attrition” first. The goal is to help the board member recognize that he isn't fulfilling his obligations—and apparently cannot. The goal is to help the board member say, “Well, maybe this isn't the best time for me to serve on this board even though I really want to.”

Agree with alacrity, and say, “It seems best for you to resign at this time, due to personal or professional reasons. It happens, you know. It's okay.” That's “enhancing attrition.”

If there's no change after one formal feedback conversation and the promise to do better, then it's probably “thank and release” time. The organization tried to enhance attrition but the board member didn't resign. And then she didn't improve her performance.

So now it's time to graciously say to that nonperforming board member, “You need to step down. Please resign because you cannot fulfill what you agreed to do.”

“This Sure Takes a Long Time!”

Yes, indeed.

And it isn't easy.

But it isn't as hard as organizations (and people) think it is.

It is not acceptable to keep nonperformers around. Nonperformers demotivate and frustrate hard workers. Nonperformers waste valuable staff and board time.

Your unwillingness to deal properly with nonperformers sends a very bad message to others.

This is serious business. Get it together.

“But...”

I know, you have “buts.” Talk about them. Explore them. That's part of getting it together.

This is scary and worrisome. What if the person gets mad and bad-mouths you? Make sure you do this work graciously and carefully. And exactly how will they badmouth you? “The organization asked me to resign because I wasn't performing well.” Hmmm. . . .

You think it's hard to find board members and don't want to lose any. Hey! Your organization deserves high-performing board members. Don't accept less. Yes, there *are* more candidates out there. Look harder.

And Finally...

This is actually *not* about firing lousy board members. This is about “enhancing attrition.” You work hard to avoid “thank and release.” And you never use the word “fire.”

NOTES

1. Enabling is the process of empowering others. Effective enablers clarify roles and relationships, identify and remove barriers, communicate to build learning, provide direction and resources, and coach and mentor people to succeed. See my *Strategic Fund Development: Building Profitable Relationships That Last*, 3rd ed. (Hoboken, NJ: John Wiley & Sons, 2001) to learn about

enabling. And, boards, beware! Hire execs who understand governance and can effectively enable the board and its members to do the right work in the right way. If there's a good candidate who doesn't yet know enough about governance, make sure she develops this expertise darn fast!

2. Visit www.simonejoyaux.com for sample policies and procedures related to the board and its operations (click on “Resources” and visit the “Free Download Library”).

3. See “Board Member Performance Expectations” in my “Free Download Library” at www.simonejoyaux.com (click on “Board Development” then on “Roles” to locate the document). By the way, the last item in my board member performance expectations is “Agree to step down from board position if unable to fulfill these expectations.”

4. See recruitment tools in my “Free Download Library” (click on “Board Development” then on “Recruitment” to locate documents).
5. Conduct the interview in a way that allows you to *not* invite the candidate to serve on the board. You don't promise a paid job to a candidate when you first begin the interview. See recruitment tools in my “Free Download Library” (click on “Board Development” then on “Recruitment” to locate documents).

6. Some organizations call this the governance committee; others call it the board development committee. Don't use the term “nominating committee.” The scope of work is much broader than just nominating candidates.

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