Benchmarking Study of Global Non-Profit Organizations:

Best Practices for Board Member Selection, Onboarding, and Evaluation

The success of global non-profit organizations (NPOs) is driven and sustained by the superior leadership of board members and staff. A critical challenge global NPOs face is selecting the best candidates to fill board positions. The selection criteria for board members may vary considerably by organization. In addition, NPOs often adapt for-profit selection criteria and techniques. Modifying these practices for global NPOs presents unique opportunities.

So what type of individual is best suited to be a board member for a global NPO? Commentary proposed during this study indicates that successful board members are often motivated by altruism, which is reflected in the unpaid nature of the job. Instead, global NPO board members are often thought to operate with the dual mindset of an organizational leader and customer (as a member of the organization).

To compare Board development techniques among global NPOs, CMA conducted a benchmarking study. Interviews were conducted with seven NPOs and online data was collected from three additional NPOs in order to gather information on best practices. All NPOs included in the study were professional associations with a global presence.

Overall, four main processes were found to be fundamental to the development of an effective board: recruitment, selection, integration, and evaluation of board members. Highlights in these areas are discussed below.
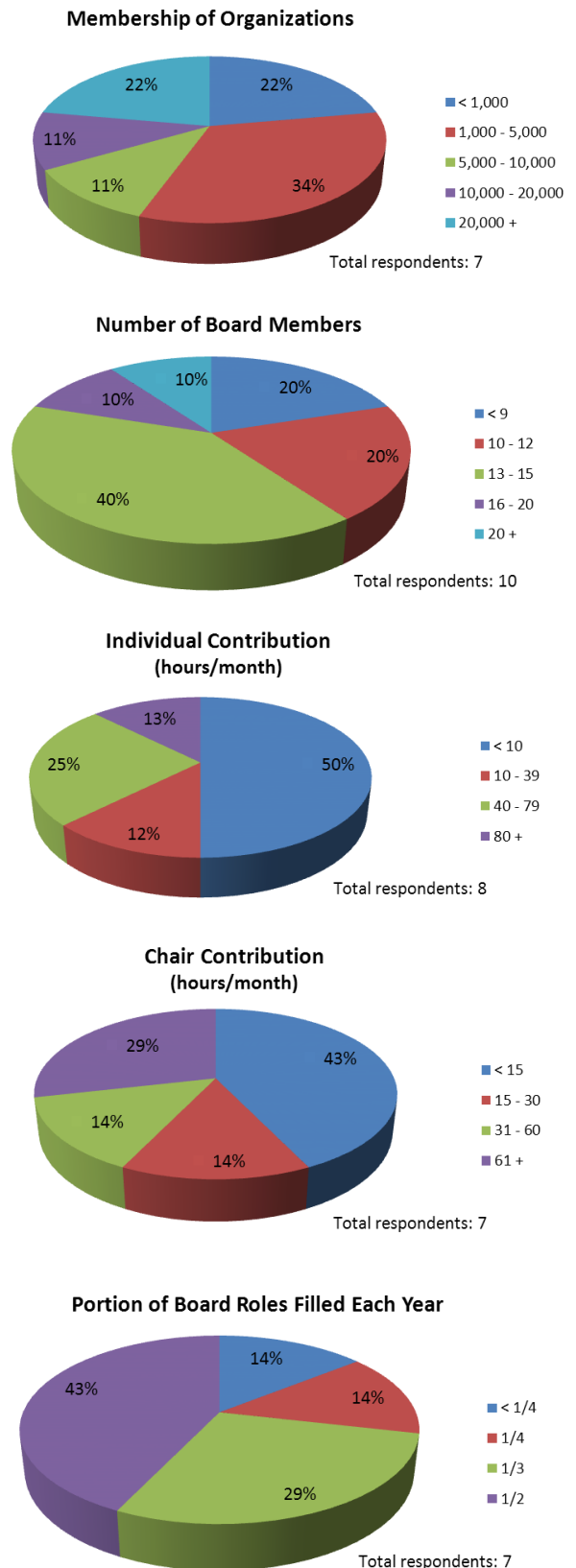

Of the ten NPOs included in the benchmarking study, all organizations maintain an unpaid board and additional paid staff. Organizations with paid staff reported an average of 30 employees on staff. The paid staff members were described as essential, as the NPOs need full-time employees who can handle the day-to-day responsibilities of running the NPO.

Board members often have full-time jobs outside of their NPO leadership responsibilities. Thus, paid staff members were described as necessary to effectively perform the operational duties that keep the organization running smoothly. More detailed information about the organizations interviewed is presented in Figure 1.

- ➢ **Membership**. Organization membership ranged from 650 members to 75,000,000 members. Some organizations consider companies as members. Organizations with companies as members reported an average of 150 member companies.

- ➢ **Board Size.** The number of board members of participating NPOs ranged from 7 to 55. These Boards contained an average of 11.2 members (Note: this excludes a 55-member board, which was considered a significant outlier). The most common range was 10 to 15 members.

- ➢ **Time Commitment.** Board members reported individual time contributions ranging from 2 hours per month to 20 hours per week. For comparison purposes, all times were converted to hours per month. On average, board members are contributing 25.38 hours/month. Interestingly, time commitment was not found to be related to membership or board size.

- ➢ **Chairman Commitment.** As would be expected, the board chairman was found to contribute significantly more hours than other board members. The number of hours per month varied greatly, from 11 hours per month to 200 days per year. For comparison purposes, all times were converted to hours per month. On average, the average chairman spends 55.55 hours per month working for their NPOs.

- ➢ **Positions Filled.** Organizations generally fill between one third to one half of their board positions each year. Interviews revealed that is thought to prevent burnout and keep the board "fresh."

Figure 1: Organizational Data.

Membership of Organizations

22% | 22%
11%
11% | 34%

- < 1,000
- 1,000 - 5,000
- 5,000 - 10,000
- 10,000 - 20,000
- 20,000 +

Total respondents: 7

Number of Board Members

10% | 20%
10%
40% | 20%

- < 9
- 10 - 12
- 13 - 15
- 16 - 20
- 20 +

Total respondents: 10

Individual Contribution (hours/month)

13%
25% | 50%
12%

- < 10
- 10 - 39
- 40 - 79
- 80 +

Total respondents: 8

Chair Contribution (hours/month)

29% | 43%
14%
14%

- < 15
- 15 - 30
- 31 - 60
- 61 +

Total respondents: 7

Portion of Board Roles Filled Each Year

14%
43% | 14%
29%

- < 1/4
- 1/4
- 1/3
- 1/2

Total respondents: 7

Four key selection areas were identified during the NPO interviews: recruitment, selection, integration, and evaluation. The best practices of these organizations are summarized below.

Recruitment— Most NPOs reported using a nominating committee. About 50% of the committees distribute nomination packages to all members of the organization for recommendations. Then, the committee narrows the recommendations down to final candidates. Other NPOs interviewed stated that nominating committees receive recommendations from the board, other organizational leaders, or from the committee itself. These committees then reach out to individual members to gauge interest in joining the board and invite them to apply.

Selection— The NPOs interviewed generally require internally nominated/recommended individuals who are considered "well-rounded," in good standing with the NPO, and have proven their commitment to the NPO through time and effort. Interestingly, few NPOs currently select Board members based on a specific set of competencies or strategic needs of the NPO, indicating that many NPOs could improve here.

Diversity is also important for the board to maintain a representative group of members with diverse skill sets. **The organizations interviewed noted that the selection processes of global NPOs should consider geographic location, membership size, individual skills, and individual demographics.**

Other selection criteria may include experience serving on a chapter board, education and professional standings, influence in industry, leadership competencies, innovation and vision for the direction of the organization, and current knowledge of and time investment in the NPO.

For selection of a chairman, some NPOs slate the position in a similar fashion to the slating process for the board. In other NPOs, the board (or a committee of board members) takes responsibility for selecting the next chairman.

In addition, many organizations have a natural hierarchical progression or cycle which centers around the chairman. For example, a simple cycle may include the following: this year's vice chairman becomes next year's chairman. The current chairman then becomes past chairman. Thus, the cycle can be viewed as "president-elect, president, immediate past president." When entering these cycles, individuals are generally elected to a first term as vice chairman.

> "Our selection process is democratic. Our people pick our people."

Onboarding— The NPOs that utilize a formal onboarding process typically host a session after an annual board meeting. New members are briefed on general rules and expectations of each job, followed by a strategic planning discussion and decisions on individual committee involvement for the term. These onboarding meetings are led by the executive director, current chairman, and immediate past chairman (or their equivalents). **Onboarding sessions of NPOS in this study ranged from 2-8 hours.**

The NPOs studied that do not have a formal onboarding process indicated that they tend to operate on an unstructured "learning by doing" system, which often involves a verbal introduction to the position and question/answer session with the existing members.

Evaluation— **Most NPOs included in this study do not have a formal evaluation process at this time.** Some respondents that do utilize an evaluation process employ an external consultant to oversee annual board member evaluations. For example, for one NPO, the organization implements an external evaluation of the board every three years, during which external consultants gather performance feedback from board members, members, and staff, on individual board member performance. The chairman provides feedback prior to voting for board members running for re-election.

Most NPOs studied depend upon the judgment of the chairman to determine whether a board member's performance has declined and how to act. However, sole reliance on the chairman's judgment to evaluate board members could inadvertently create problems or political issues. Interestingly, many of these NPOs have no process in place to remove a board member if the need arises.

Global NPOs are faced with a unique situation when filling board positions. Board members are unpaid, are likely to be globally dispersed, and typically are asked to invest a significant amount of time and effort. Therefore, best-practice selection and evaluation procedures from the private and public sector may be beneficial, in modified formats, for global NPOs.

Based on data from the 10 global NPOs examined, several key takeaways are offered.

- Prospective board members are often sought out by the NPO's nominating committee. Substantial time investments may be required to identify qualified prospects that will fulfill the needs of the board. Nominating committees can help efficiently recruit and screen candidates.

- Recruitment and selection efforts should seek out board candidates that will: demonstrate the competencies required for successful performance of the global NPO board role; best represent the global NPO; and, uniquely contribute to the NPO's strategy and goals.

- Global NPOs vary in onboarding processes held for new board members, with some having no formal process. Due to the relatively short terms board members serve, NPOs should implement formal onboarding processes to facilitate smooth board transitions and enable new board members to contribute fully soon after elections.

- Finally, most organizations reported having no formal evaluation processes. Instituting formal evaluation processes can help: improve perceptions of fairness; identify performance problems early on; and, highlight strengths and improvement opportunities for individual members, as well as for the board as a whole.

For more than 35 years, CMA has helped not-for-profit and for-profit organizations select, develop, and retain leaders at all levels.

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