Board Recruitment Part 2

The Question:

Once we identify potential directors, how should we go about approaching and assessing them?

The Answer:

This column continues the discussion from last month on board recruitment. For information on board composition, developing a director profile, and some potential sources of directors, please see the column posted in March 2010.

Once the organization has determined what attributes are needed in a prospective director and has identified some potential directors, whether by advertising, word of mouth, or other means, the selection process can begin. This includes:

- approaching and interviewing candidate directors
- matching the candidate's competencies against the competency matrix and new director profile
- engaging in a due diligence process and confirming a director's suitability before he or she is nominated for election or appointed

Not-for-profit organizations may face a variety of different challenges when it comes to recruiting and selecting directors. Well-established, prestigious organizations may have a wealth of candidates from which to choose, and may in fact encounter potential directors who wage quite a campaign to secure a board seat. For these organizations, it will be important to have a clearly-documented, competency-based process in place to assess candidates and choose those who are the most appropriate.

Other organizations, particularly those which are smaller, less-established, or whose mission is not widely embraced, may well find it difficult to attract directors. These organizations will also need to have a well thought-out and executed plan in place in order to attract qualified directors.

Approaching Potential Directors

There is important preparation to be done before approaching potential directors. This includes learning about the individuals, assessing why they might be interested and appropriate, and being prepared to answer their questions. Candidates who have expressed an interest in board membership may also be requested to submit a candidate profile and declaration, including any potential conflicts of interest.

Typically, the first approach is by phone followed by an informal meeting. This is frequently conducted by the chair of the governance and nominating committee. This can then progress to meeting with the governance committee as a whole, the chair of the board, or the full board. Many organizations also encourage potential directors to attend part of a board meeting as an observer.

Information for Prospective Directors

Early meetings with a potential director have two important purposes. One is for the board or governance committee to get to know and begin to evaluate the suitability of the prospective director. The other is for the prospective director to learn about the organization and its expectations of directors. Clear and forthright communication of information about the organization at this stage can help to attract qualified directors and also surface potential problems or lack of fit at the earliest opportunity.

Information which may be provided about the organization includes:

- vision, mission, values and code of conduct
- history or background information on the organization and sector
- board and committee mandates
- programs and activities
- financial statements and recent annual reports
- description of stakeholders and accountabilities
- information on board members and senior staff

Information which may be provided on expectations of directors includes:

- director position descriptions
- the term of service, term limits (if applicable) and the expected number of terms to serve
- time commitment involved
- dates, locations and duration of scheduled meetings
- committee service requirements
- ways in which individual directors might contribute to the board through their experience and skills
- any expectations regarding personal donations to the organization and participation in fund-raising activities
- orientation and continuing education opportunities
- summary of directors and officers liability insurance

Reference and Background Checks

Directors have a fiduciary role as stewards of the organization's assets and resources. This includes oversight of the use of donor funds and the delivery of programs and activities. Many not-for-profit organizations work with vulnerable members of the community, and boards should ensure that all necessary steps are taken to satisfy themselves that a prospective director possesses the qualifications that have been represented, is honest, and has no undisclosed conflicts of interest.

Reference checking is an important part of the board recruitment process. References should be contacted in order to validate statements in a candidate's profile and declaration and to determine the candidate's suitability in terms of behavioural style, track record of attendance and contribution, and fit with the board. In many cases, the potential director will be known to people in the organization or to trusted stakeholders or contacts who can provide additional references.

Depending on their nature, these reference checks may be undertaken by the chair of the governance committee, the board chair or a trusted senior staff member. Reference checking should be as objective as possible and personal biases should be minimized.

Additional background checking may include confirming with universities and professional associations the credentials and status of professionals such as lawyers, accountants, etc. Police checks (also known in some jurisdictions as "vulnerable sector screening") are recommended in all cases when an organization serves a vulnerable population. Having a standard procedure in place for all volunteers can make the requirement easier to explain to potential directors.

Reference and background checking can be a lengthy and sensitive process, but one that can protect an organization and its beneficiaries against serious consequences.

Assessing Fit with the Board

On the basis of the information gleaned from meetings and interviews with potential directors as well as reference checks conducted, the board (or its governance and nominating committee) should review the candidates' strengths (and weaknesses) against the skills matrix and director profile developed to ensure that the most qualified candidates are selected. Consideration of both professional skills (financial literacy, human resources, fundraising, etc) as well as behavioral styles (consensus-building, conflict resolution, etc) is important to assure a good fit with the board.

Further information on board recruiting for not-for-profit organizations can be found in the CICA publication 20 Questions Directors of Not-for-Profit Organizations Should Ask about Board Recruitment, Development and Assessment, authored by Dr. Richard Leblanc, LLM and Hugh Lindsay, CA . Much of this discussion is based on that publication.