

### Governing for the Greater Good: *Nonprofit Board Fundamentals for Ensuring Impact*

Citywide Nonprofit Monitoring Program  
San Francisco, CA  
May 17, 2016

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### Our Practice



*We help public servants, philanthropists, and other world-changers find what works in solving their communities' toughest challenges.*



We provide rigorous and responsive evaluation, research, and technical assistance services rooted in a commitment to equity and a focus on learning – so we all grow smarter by working together.

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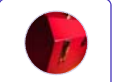
### SPR's Methods and Services




Dynamic Facilitation



Media Development




Tool Development




Immersive Simulation



Customized Training



Individualized TA



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C<sup>4</sup> Consulting

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**C<sup>4</sup> CONSULTING**  
ACTIVATING TALENT. IGNITING RESULTS.

*Supporting Community Leaders to turn bold Visions for positive community change into reality via increased clarity, competence, confidence & connectedness.*

Core Services:

- Strategy & Ideation
- Facilitation
- Customized Training
- Leadership Coaching

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Welcome & Overview

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8:45	Sign in
9:00	Welcome
Part I	Part I: Board Governance Basics
Part II	Part II: High Performance Governance
Part III	Part III: Applying Learning
Closing	Questions & Next Steps
1:00 PM	Adjourn

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Participant Outcomes

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**Governance Fundamentals**  
Gain greater understanding of purpose of a nonprofit board, its duties and essential responsibilities.

**High Performance Governance & Management**  
Better understand the distinction between governance and management support.

**Collaborative & Applied Learning**  
Increase your capacity to achieve Mission via applied learning

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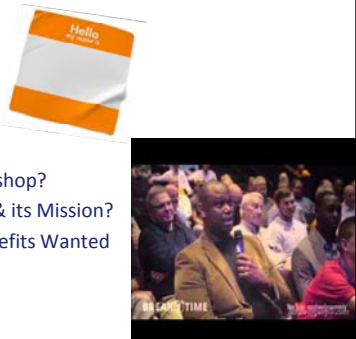
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Introductions

**Pair Share:**

- Name
- Organization
- Role
- Your “Big Why”
  - Why this Workshop?
  - Why your Org & its Mission?
- Key Workshop Benefits Wanted

**Survey Highlights**



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Working Agreements

**Self-care**

Refreshments  
Stand and stretch  
Bio-breaks

**Own our space**

Engage  
Ask questions  
Share  
Check pace, process

**Confidentiality**

Honor sharing  
Avoid specific disclosures

**Share our space**

Be mindful of time  
Provide opportunities for others

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Governance Fundamentals

- Governance Defined
- Board Purpose
- Legal Duties
- Essential Responsibilities
- Board Relationship to CEO



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Nonprofit Governance Defined

Nonprofit governance is the provision of **guidance & direction** to a nonprofit organization so that it *fulfills its vision <mission> & reflects its core values*, while maintaining accountability and fulfilling its responsibilities to the **community**, its **constituents**; and **government** with which it functions.

*-The Alliance for Nonprofit Management's Governance Affinity Group*



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Defined Simply

Governance is **how Boards of Directors & Executives work together** to ensure the success of their organizations.

*- Fisman, Khurana & Martenson: Mission-Driven Governance (SSIR)*



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Purpose

A Nonprofit Board is the **legal guardian** of the organization:

- Legal compliance
- Fiduciary oversight
- Management Support
- Mission-driven
- Impact Focused



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Legal Duties

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- **Duty of Care**
- **Duty of Loyalty**
- **Duty of Obedience**



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Legal Duties continued

14

**Duty of Care** - A Board Member must exercise reasonable care when s/he makes a decision as a steward of the organization.

- Level of competence expected of Board Members
- Care that an ordinarily prudent person would exercise in a like position and under similar circumstances

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Legal Duties continued

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**Duty of Loyalty** - Board Members must make decisions in the best interest of the nonprofit; not in his or her self-interest.

- Not engaging in any activities which would injure or take advantage of the organization
- No self-dealing



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Legal Duties continued

16

**Duty of Obedience** - Board Members must be faithful to the organization’s Mission & follow applicable federal and state statutes and contractual agreements.

- Acts in accordance with ethical practices
- Adheres to stated corporate purposes
- Assures activities advance organization’s Mission

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Essential Responsibilities

17

VIDEO:  
[Essential Duties of a Nonprofit Board](http://bit.ly/1UoVUOx)  
Nonprofit Partnership  
(<http://bit.ly/1UoVUOx>)



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Board & CEO Governance Partnership

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Board & CEO Governance Partnership

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Embrace the reciprocal relationship between the CEO and the board as neither independent nor dependent, but rather an interdependent leadership partnership that is grounded in deep trust and mutual accountability.

Independent



Dependent

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Activity: Assessment – Part I

20

- Complete Individual Assessment
- Share in Pairs
- Participate in Group Reflection



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Common Challenges

21

VIDEOS:

[Typical Nonprofit Board Challenges](http://bit.ly/1rEphC8)  
<http://bit.ly/1rEphC8>



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Common Challenges continued

22

Dealing with Dysfunction in Nonprofit Boards

<http://bit.ly/1YEu5N>

Stanford Graduate School of Business



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Activity: Key Challenges

23

Identify 3 Key Challenges

- Categorize the Challenges (post on chart paper)
- Group Discussion (by category)
- Keep these in mind as the following High Impact Approaches for moving beyond compliance are introduced



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Beyond Compliance to Impact

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High Impact Approaches:

- Mission-driven Governance
- Governance as Leadership
- The Performance Imperative
- Working as a High Performing Team



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Beyond Legal Compliance to Impact continued

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PERSPECTIVES ON CORPORATE GOVERNANCE

	LEGAL PERSPECTIVE	BEHAVIORAL PERSPECTIVE
GOAL	Accountability	Success
PREOCCUPATION	Structures & controls	Performance
MEANS	Relationships based on rules	Relationships based on trust
PRIMARY ACTIVITY	Oversight	Group decision making

- Raymond Fisman, Rakesh Khurana, & Edward Martenson

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Modes of Governance as Leadership


26

Type I – Fiduciary

Stewardship of tangible assets:

- o faithful to mission,
- o accountable for performance, and
- o compliant with relevant laws and regulations.

Without Type I, governance would have no legitimacy. If a Board fails as fiduciary, the organization - not to mention its donors, clients, or community - could be harmed.



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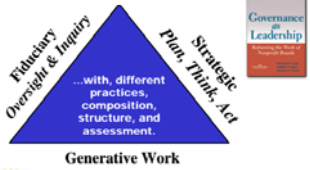

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Governance as Leadership

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Type I - Fiduciary  
Type II - Strategic  
Type III - Generative

Governance as Leadership



(Richard P. Chait, William P. Ryan, and Barbara E. Taylor)

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Modes of Governance as Leadership continued

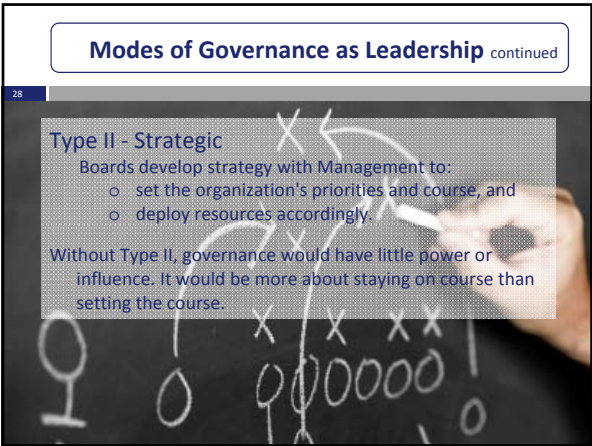
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Type II - Strategic

Boards develop strategy with Management to:

- o set the organization's priorities and course, and
- o deploy resources accordingly.

Without Type II, governance would have little power or influence. It would be more about staying on course than setting the course.



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Modes of Governance as Leadership continued

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Type III - Generative

Boards, along with Executives, frame problems and make sense of ambiguous situations - which in turn shapes the organization's strategies, plans, and decisions.

Because most organizations lack frameworks and practices for this work, it's easy for Boards to become bystanders to it - even though it is central to governance.



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The Performance Imperative

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VIDEO:  
[High Performance Matters](#)  
Leap of Reason  
(<http://bit.ly/1T2AZRd>)

MELODY BARNES

Former Director of White House Domestic Policy Council for President Barack Obama



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The Performance Imperative continued

31

The Performance Imperative:  
A Framework  
for Social Sector  
Excellence

- Nonprofit boards – assess mission effectiveness in living up to their fiduciary responsibility
- Nonprofit executives – strategic plans, professional development efforts, and organizational review

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Pillars for High Performance

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Ensure Organizational Well-Being, Pillars of High Performance  
<http://leapofreason.org/performance-imperative/performance-imperative-materials/>

- COURAGEOUS CEO & BOARD: Cultivate Integrity-centered, Mission-driven courageous, adaptive executive & board leadership
- PEOPLE FOCUSED: Foster disciplined, people-focused talent management, development and learning culture at all levels
- QUALITY, IMPACTFUL SERVICES: Ensure resources are available for well-designed and well-implemented programs & strategies

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Pillars for High Performance continued

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Ensure Organizational Well-Being, Pillars of High Performance  
<http://leapofreason.org/performance-imperative/performance-imperative-materials/>

- FINANCIAL VIABILITY & SUSTAINABILITY : Ensure Financial Health & Sustainability Know & Promote ROI
- CONTINUOUS IMPROVEMENT: Cultivate Culture of Learning; Consistently monitor and address results, enlist 3<sup>rd</sup> party evaluators as appropriate

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High Performing Teams

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The Five Dysfunctions of a Team

by Patrick Lencioni - The Table Group

<http://www.tablegroup.com>

The diagram is a pyramid with five levels, each representing a dysfunction. From top to bottom: 1. Inattention to Results, 2. Avoidance of Accountability, 3. Lack of Commitment, 4. Fear of Conflict, 5. Absence of Trust. To the right of the pyramid, under the heading 'The Role of the Leader', are five corresponding actions: Focus on Collective Outcomes, Confront Difficult Issues, Force Clarity and Closure, Mine for Conflict, and Go First! Below the pyramid, there are five numbered descriptions: #1: Absence of Trust (The lack of trusting one another prevents the building of trust within the team), #2: Fear of Conflict (The absence of personal conflict stifles the occurrence of productive, divergent conflict), #3: Lack of Commitment (The lack of ability to focus personally on team members from making decisions they will stick to), #4: Avoidance of Accountability (The need to avoid personal accountability prevents team members from holding one another accountable for their behavior and performance), and #5: Inattention to Results (The pursuit of individual goals and personal agendas overrides the focus on collective success).

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High Performing Teams

35

The Five Dysfunctions of a Team

by Patrick Lencioni - The Table Group

<http://www.tablegroup.com>

A video frame showing Patrick Lencioni speaking. He is a man with short grey hair, wearing a dark jacket over a blue shirt. He is gesturing with his hands. In the bottom right corner of the video frame, the word 'BOOKS' is visible.

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Activity: Assessment – Part II

36

- Complete Individual Assessment
- Share in Pairs
- Participate in Group Reflection

A photograph showing a group of people in a meeting. Several hands are visible, pointing at documents on a table. A smartphone is also on the table.

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**Activity: Praxis Work Groups**

37

- Defining Dashboard for Organizational Impact & Well-being
- Addressing Team Dysfunctions
- Bringing Forward Generative Questions
- Participant Generated Topic



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**Closing**

38

- Spotlight on Additional Resources
- Action Planning & Commitment Cards
- Final Q & A
- Reflections
  - Key Takeaways
  - Core Commitment
- Evaluation



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**Contact Information**

**Citywide Nonprofit  
Monitoring & Capacity  
Building Program**

Public Website:  
<http://sfcontroller.org/nonprofits>  
-Training Materials  
-Resources for Nonprofits

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Thank You!

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ASSOCIATES  
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14

**Governing for the Greater Good:  
Nonprofit Board Fundamentals for Ensuring Impact**

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**PARTICIPANT  
RESOURCE PACKET\***

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*\*Additional suggested resources available at: <http://bit.ly/1Tn7u9l>*

## **McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – SHORT FORM**

### **OVERVIEW**

The Nonprofit Board Self Assessment Tool is designed to help nonprofit organizations assess their board's performance and identify priorities for board activities going forward. We believe this combination of performance assessment and priority-setting is the foundation of superior nonprofit board performance over time. The tool should be used with our framework for nonprofit board responsibilities, which describes in detail the key elements of effective nonprofit board governance. The output of the assessment is intended to focus discussion among board members around the governance activities that will result in the greatest benefit for the organization. The tool may be used by nonprofit managers and board members:

- To identify the areas of board performance that are strongest and those that need improvement
- To identify priority areas for the board to focus on over the next 1 or 2 years
- To allow different views to emerge – the difference between responses given by two groups of board members or by the board and senior staff can be tracked and then used to start a discussion

Please make generous use of the comments section to expand on or explain your ratings. We typically find summaries of anonymous comments as helpful as the ratings themselves in surfacing issues.

This tool is meant to create an informed starting point for discussion among the leadership of a nonprofit. Informed discussion and commitment to address priorities results in board effectiveness. We encourage you to adapt the tool to meet your own organization's governance needs, and we appreciate feedback on how to improve the usefulness of this tool.



## McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – SHORT FORM

### GUIDELINES FOR ASSESSORS

The Nonprofit Board Assessment Tool has three sections:

1. Performance of the board (or board committee) on its core responsibilities
2. Perceived importance of responsibilities for the next 1-2 years
3. Quality of enablers in place to support board effectiveness

In Section 1, "Performance of board on its core responsibilities," please rate how well your board is performing on a scale of 1 to 4 (1 = poor, 2 = average, 3 = distinctive). Please use the comments section to expand on any aspect of performance you wish. If a row is not relevant to the organization assessed, write "N/A" in the comments section; if you simply have no knowledge, write "D/K."

For each of the responsibilities in Section 2, "Perceived importance of responsibilities for the next 1-2 years," indicate how important you believe it will be for the board to focus on each area in order to make the most positive impact on the performance of the organization. Since the board cannot focus on all responsibilities with equal weight at the same time, the ratings are intended to indicate relative priorities for each responsibility.

In section 3, "Enablers of board effectiveness," please indicate your level of agreement with the set of questions designed to evaluate the quality of board enablers in place.

Please return your completed tool to the administrator, who will collate the results and compile an anonymous summary of comments for board discussion.

Please identify your role in the organization:

Board Member \_\_\_\_\_ Management \_\_\_\_\_ Other \_\_\_\_\_

**Approximate time needed for completion: 5 minutes**

## McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – SHORT FORM

### SECTION 1: ASSESSING THE BOARD'S CURRENT PERFORMANCE ON KEY BOARD FUNCTIONS

Effective nonprofit boards fulfill a number of roles for the organizations they support. Please rate the performance of the board against these nine board responsibilities.

Board function:	Poor	Average	Distinctive
Clarifying the organization's mission or vision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolving key strategic or policy issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing the CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing the financial resources needed to support the strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Providing expertise or access to policymakers to support organizational priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building/enhancing reputation of organization with key stakeholders/community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overseeing financial performance and ensuring adequate risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assessing performance of the organization against its mission and key program priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving board performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please add any additional thoughts to explain your answers:**

## McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – SHORT FORM

### SECTION 2: PERCEIVED IMPORTANCE OF RESPONSIBILITIES FOR THE NEXT 1-2 YEARS

A nonprofit board adds value by undertaking each of the nine responsibilities identified; however, boards rarely have time to focus on all of the responsibilities. Good nonprofits prioritize activities depending the context of the organization. As you complete this section please identify those areas of potential board focus that are most needed over the next 1 to 2 years to ensure the organization succeeds against its mission.

How important is it for the board to focus on:	Low	Medium	High
Clarifying the organization's mission or vision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolving key strategic or policy issues (please identify issues below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing (or replacing) the CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing the financial resources needed to support the strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Providing expertise or access to support organizational priorities (please identify priorities below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building/enhancing reputation of organization with key stakeholders/community (please identify stakeholders/community targets below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overseeing financial performance and ensuring adequate risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assessing performance against mission and key program priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving board performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please add any additional thoughts to explain your answers or identify additional needs:**

## McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – SHORT FORM

### SECTION 3: ASSESSING KEY ENABLERS OF BOARD PERFORMANCE

Good nonprofit boards have a number of common-sense enablers in place to allow them to work effectively and productively. Please rate the board against these key enablers.

Are enablers of board effectiveness in place?	Disagree	Somewhat agree	Strongly agree
Board size is appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board has appropriate committees with clear charters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board composition is appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board has effective processes for identifying, cultivating, and integrating new directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The right leaders are in place as board chair and committee chairs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board has an effective process for selecting, developing, and transitioning new leaders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board/committee meeting calendars, advance materials, and agendas support the board as needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board and committee meetings run well, e.g. start/end on time, give members a chance to engage in issues, ensure all voices are heard	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board strikes the right balance of work and fun activities, including effective efforts to connect board members to the mission of the organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please add any additional thoughts to explain your answers:**

**McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – SHORT FORM**

**OTHER COMMENTS:**

## **OVERVIEW**

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- To identify the areas of board performance that are strongest and those that need improvement
- To identify priority areas for the board to focus on over the next 1 or 2 years
- To allow different views to emerge – the difference between responses given by two groups of board members or by the board and senior staff can be tracked and used to start a discussion

Superior board performance across the full range of nonprofit institutions cannot be precisely defined. Distinctive performance for each of the dimensions is therefore not intended to be precisely accurate for any single institution. In fact, institutions rarely need to perform at a distinctive level in every area. A board committee, rather than the entire board, can often handle specific responsibilities and bring topics forward for full board discussion as needed. Respondents should use their best judgment to rate their board in the spirit if not in the letter of the performance description. The scores are meant to provide a general indication – a “temperature” taking – of a board’s performance, in order to identify potential areas for improvement.

Please make generous use of the comments section to expand on or explain your ratings. We typically find summaries of anonymous comments as helpful as the ratings themselves in surfacing issues.

This tool is meant to create an informed starting point for discussion among the leadership of a nonprofit. Informed discussion and commitment to address priorities results in board effectiveness. We encourage you to adapt the tool to meet your own organization’s governance needs, and we appreciate any feedback on how to improve the usefulness of this tool.

## McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

### GUIDELINES FOR ASSESSORS

The Nonprofit Board Self Assessment Tool has three sections:

1. Performance of the board (or board committee) on its core responsibilities
2. Perceived importance of responsibilities for the next 1-2 years
3. Quality of enablers in place to support board effectiveness

In sections 1 and 3, "Performance of board on its core responsibilities" and "Enablers of board effectiveness," mark the box in each row that is closest to describing the situation at hand; descriptions will rarely be a perfect match, so use the comments section to expand on any aspect of performance that you wish.

If a row is not relevant to the organization assessed, write "N/A" in the comments section; if you simply have no knowledge, write "D/K."

For each of the responsibilities in Section 2, "Perceived importance of responsibilities for the next 1-2 years," indicate how important you believe it will be for the board to focus on each area in order to make the most positive impact on the performance of the organization. Since the board cannot focus on all responsibilities with equal weight at the same time, the ratings are intended to indicate relative priorities for each responsibility.

Please return your completed tool to the administrator, who will collate the results and compile an anonymous summary of comments for board discussion.

Please identify your role in the organization:

Board Member \_\_\_\_\_

Management \_\_\_\_\_

Other \_\_\_\_\_

**Approximate time needed for completion: 30 minutes**

## AREAS COVERED BY THE ASSESSMENT'S THREE SECTIONS

### SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

#### **Shape mission and strategic direction**

- Clarify mission and vision
- Participate in and approve strategic and policy decisions

#### **Ensure leadership and resources**

- Select, evaluate, and develop CEO
- Ensure adequate financial resources
- Provide expertise and access for organizational needs
- Build reputation

#### **Monitor and improve performance**

- Oversee financial and risk management
- Monitor organizational performance
- Improve board performance

### SECTION 2: PERCEIVED IMPORTANCE OF RESPONSIBILITIES FOR THE NEXT 1-2 YEARS

### SECTION 3: QUALITY OF BOARD EFFECTIVENESS ENABLERS

- Size and structure
- Composition
- Leadership
- Processes



# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

Shape the mission and vision	<b>1</b> Poor	<b>2</b> Average	<b>3</b> Good	<b>4</b> Distinctive	Comments
<b>Common understanding of mission</b>	Active and open disagreement about mission	Board members appear to share surface understanding of mission; disagreements may exist at deeper level although they have not been raised	Board members share common understanding of mission although it has not been stressed tested through discussion	All board members share a common understanding of the mission that has been stress tested through discussion	
<b>Common understanding of vision (i.e., what the organization aspires to become in 5 years)</b>	Board members lack understanding of vision is as distinct from mission	Vision not formalized; board members' understanding of vision not aligned with likely disagreement over what is achievable	Board members appear to have a common understanding of the vision; vision not documented and/or lacks concrete goals	All board members share common understanding of where organization wants to be in 5-10 years; vision is well documented with concrete goals	
<b>Use of mission and vision in policy/strategy decisions</b>	Board members do not refer to mission and vision in their discussions on policy/strategy	Board members infrequently refer to mission and vision in discussions on policy/strategy	Although not formalized, board members frequently refer to mission and vision in discussions on policy/strategy	All major policy/strategy discussions include explicit consideration of fit with mission and vision	
<b>Process for raising mission and vision issues</b>	Board has no formal process to engage board in reviewing the mission and vision	Informal discussion within small groups on mission or vision; Issues of mission/vision rarely raised to board for broad discussion	Informal and active discussion within small groups with issues (e.g., relevance of mission) brought before the board on ad-hoc basis when there is enough momentum	Formalized process (e.g., board retreats) to foster active board member participation in examining mission-related issues	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

<b>Engage in strategic planning and policy decisions</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Process for strategic planning and quality of board participation</b>	No formal process for strategic planning and little takes place	Formal process exists but used on ad-hoc basis; mainly staff driven with very little involvement by board members in developing the plan; board largely “rubber stamps” plan with limited discussion	Process exists for developing strategic plan but does not specify the framework for strategic planning (e.g., main elements/issues that plan must address); mainly staff-driven; active discussion by the entire board before approving the strategic plan	Formal process for board involvement that specifies broad framework (timing and content) for strategic planning; joint board and staff ownership of strategic plan with some board members heavily involved; active discussion by the entire board supported by needed facts/materials before final approval	
<b>Quality of strategic plan</b>	No formal plan; board members/staff would not describe key points of the strategy in the same way	Strategic plan exists but has major holes in one or more of: goals, situation analysis, options considered, expected outcomes, resource implications, responsibilities	All key strategic elements addressed in plan; clear linkage of programs to mission and vision; unresolved issues identified for further investigation	Robust plan covers all key strategic elements; agreed upon program outcomes are tightly linked to mission and vision and results inform subsequent decisions; clear plan for closing resource gaps if any	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

Engage in strategic planning and policy decisions	1 Poor	2 Average	3 Good	4 Distinctive	Comments
<b>Agreement on distinction between board-level and management-level decisions</b>	There is frequent disagreement between board/individual members and staff on appropriate level of board involvement in issues; CEO/staff feel “micromanaged” or “unsupported”; board feels disconnected	Debates, when they occur, usually involve the behaviors of one/a few members; board/staff feel surprises (need for rapid decisions or surprising decision outcomes) occur more frequently than necessary	Board and staff have high-level understanding of distinction between board and management decisions; all parties believe current model generally works well, but a few notable surprises mark recent history	Board and staff have a shared understanding of relative roles (written or explicitly discussed); all parties feel their views are heard in the process; frequent interaction between CEO and Board Chair ensure “no surprises” environment	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

Select, evaluate and develop CEO	1 Poor	2 Average	3 Good	4 Distinctive	Comments
<b>Succession planning</b>	Board has no clear succession plan	Board has informal discussion with CEO on succession and on identifying candidates before need for a CEO transition arises	Board has explicit view on succession and works with CEO to identify internal candidates with leadership potential	Board has explicit view on succession and actively works with the CEO to identify internal candidates and provide development opportunities for the top 3-5 candidates to “round out” their skills	
<b>Evaluation and development process</b>	Evaluations are subjective and occur on ad-hoc basis; most board members are unaware of process or feedback messages	Evaluations performed annually against pre-agreed criteria; board members have opportunity to provide input to process	Evaluations performed formally and at least annually against pre-agreed criteria; written feedback messages reinforced through CEO compensation	Evaluations performed at least annually against pre-defined criteria; evaluation includes 360-degree feedback and includes a self-assessment by the CEO. Written feedback includes skill development plan. CEO compensation decision reinforces view of performance	
<b>Search process (when required)</b>	Little discussion of criteria for new CEO; roles/ decision-making process unclear	Limited discussion of criteria and search plan by board; board members feel “left out” of process; frustration with quality of candidates considered	Formal criteria and plan discussed at board; internal and external candidates considered and at least one strong candidate emerges	Formal search criteria, expectations for first 2 years, and search plan receive broad board support; internal and external candidates reviewed and “true choice” between qualified candidates can be made	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

Ensure adequate financial resources	1 Poor	2 Average	3 Good	4 Distinctive	Comments
<b>Financial needs assessment</b>	No clear understanding of gaps in resources needed	Board has some understanding of resources needed, mainly from discussions around budget	Board understands gaps in resources needed for coming year and feels “ownership” of need, given the potential impact on current programs	Board works with staff as a part of strategic planning process to develop a multi-year view of funding requirements and trade-offs embedded in different resource levels; board feels strong ownership for the targets	
<b>Individual donations to the organization</b>	Individual board members’ financial support is inconsistent and routinely misses goals set for the board; board members are unclear on collective and individual expectations	Board members’ financial support varies by individual; Some board members give consistently; others could give/were expected to give more; expectations for support not well understood prior to joining board	Most board members donate consistently to the level they are expected to give; board meets but does not usually exceed “donation” goals	All board members financially support organization, which is a priority for each board member’s charitable giving; board consistently meets/ sometimes exceeds “donation” goals	
<b>Involvement in fundraising planning and execution</b>	Board members’ role in raising funds is not commonly shared and involvement in fund-raising is isolated in a few directors.	Board occasionally introduces staff to contacts for fund-raising but no systematic effort undertaken	Directors acknowledge fund-raising responsibility and work with staff to develop fund-raising plan and introduce staff to contacts with some frequency	Board and staff develop clear plan to meet fund-raising targets; board introduces staff to potential donors and drives fund-raising activities when necessary	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

<b>Provide expertise and access for organizational needs</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Board understanding of needed access and influence to support organizational objectives, (e.g., legislative access, community access)</b>	Topic of access not specifically discussed or seen as source of board assistance to organization	Board understanding of needs for access based on periodic requests from CEO; needs largely determined on reactive basis to need of the moment	Board understands needs based on strategic planning discussions with CEO/staff, although specific plans or relationship goals are not identified	Needs for access and influence based on strategic view of organizational objectives; needs identified in detail to allow meaningful roles to be identified for individual directors	
<b>Ability of board to provide access and influence needed</b>	Board plays no role providing access or influence for organizational needs	Board provides access and influence sporadically but many needs not addressed, or support is seen to be of little value to the organization	Board provides access to most needed individuals and institutions; access and influence seen as of moderate value to institution	Board proactively reaches out to further organizational goals and is frequently very influential in achieving them	
<b>Board understanding of expertise needed for organizational objectives, e.g., financial, strategic, subject matter expertise</b>	Topic of expertise not specifically discussed or seen as source of board assistance to organization	Board understanding of needs for expertise based on periodic requests from CEO, needs largely determined on reactive basis to need of the moment	Board understands needs based on strategic planning discussions with CEO/staff	Needs for expertise based on strategic view of organizational objectives; needs identified in detail to allow meaningful roles to be identified for individual directors	
<b>Ability of board to provide expertise</b>	Board does not see providing expertise as a vital role and rarely offers assistance	CEO reaches out to individuals for assistance; help generally seen as of modest value to organization; some gaps in available expertise versus needs	Board members volunteer/ access expertise and can cover most typical needs; skills seen as valuable to organization	Board expertise addresses most needs and is seen as source of distinctive value to organization	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

<b>Build reputation</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Board understanding of reputation objectives and of the role the board can play in building/enhancing reputation</b>	Topic of building reputation not a priority and not specifically discussed/seen as a board role	Reputation objectives understood in vague terms with little differentiation of the message between target communities	Board understands key goals and differences between target communities; plan for board activity is largely undeveloped	Needs for reputation building based on strategic view of organizational objectives; needs identified in detail to allow meaningful roles to be identified for individual directors	
<b>Board effectiveness in enhancing reputation of organization in the relevant communities</b>	Board plays almost no role in helping build/enhance the reputation of the organization in relevant community	Individual board members participate when invited to community events; effectiveness of board activity unclear	Gaps exist vis-à-vis some key constituencies; board member effectiveness as reputation builders varies greatly	Board members proactively reach out in community to build awareness and excitement about the organization; board members seen to be very effective ambassadors for organization	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

<b>Oversee financial performance, ensure risk management</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Board role in financial planning</b>	1-year budgets prepared with little input from board	Board actively reviews annual financial plan; investment objectives generally understood, but not clearly communicated to fund managers	Board reviews and approves 3- to 5-year financial plan; written investment policy guides actions of fund managers	Board's active involvement in preparing/reviewing multi-year financial plan results in robust discussion of resource allocation, funding plans, and investment objectives in context of strategic goals	
<b>Ongoing monitoring of financial and investment performance</b>	Sporadic or infrequent review of results vs. budget with little opportunity for timely intervention; few board members feel they understand financial reports	Board monitors financial statements at set intervals (monthly or quarterly); open issues requiring more investigation or "surprise results" are common occurrences	Board monitors financial results regularly; staff can answer most questions and responds in timely and thoughtful manner to more complex inquiries; discussion not as "forward-looking" as some board members would like	Board monitors financial statements regularly; key performance indicators routinely reported to whole board; well-prepared staff can explain variances and discuss potential corrective actions; "no surprises" because of trust-based communication with staff	
<b>Fiduciary and other regulatory compliance</b>	No independent audit of financial results or processes; Limited understanding of the compliance required to regulatory bodies	Independent audit performed and results discussed between board and auditor; little board involvement with compliance to other regulatory bodies	Independent audit performed; results discussed with the board; board reviews reports to/from key regulatory bodies	Board ensures timely, independent audit of results and internal processes; board understands compliance required to regulatory bodies; feedback from auditors/regulators forms basis of recovery plan monitored by board	



**McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM**

<b>Oversee financial performance, ensure risk management</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Board role in risk management</b>	No clear understanding or discussion of risks/ exposures facing organization	Some discussion of key risks and mitigation strategies (insurance), but effort is largely ad hoc or in response to an event and does not cover all major exposure categories	Board annually reviews financial and other risks as well as mitigation policies, but surprises regarding exposure or gaps in coverage do occur	Board annually reviews potential sources of risk and mitigation plans; surprises or gaps in coverage are few	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

<b>Monitor performance and ensure accountability</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Board involvement in developing performance metrics</b>	Performance against mission is discussed infrequently with no pre-determined goals	Discussion of strategy leads to setting programmatic goals for year. Most goals focus on activity levels (e.g., meals served)	Board works with staff to set goals for 1- to 3-year period; metrics include activity levels and some efficiency or effectiveness measures	Board works with staff to set outcome based metrics and goals as well as activity/efficiency metrics; targets set for 1 to 3 year period. Performance of comparable institutions is used to inform targets	
<b>Process for monitoring performance</b>	No formal process for monitoring program performance exists	Infrequent discussion of performance and no feedback to the strategic planning or CEO evaluation	Routine discussion of performance against programmatic objectives but no clear feedback mechanism into strategic planning or CEO evaluation	Board routinely monitors and discusses the performance of program/organization and uses results to inform the strategic plan, resource allocation, and evaluation of the CEO	
<b>Board understanding of accountability</b>	Board does not view itself accountable to any stakeholders	Limited discussion of accountability. Divergent views regarding key stakeholders	Board discussion of accountability occurs in unstructured format results in consensus; discussion not turned into action, e.g., stakeholders communications	Board identifies primary stakeholders and ensures that performance results are communicated effectively to the stakeholders	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

<b>Monitor performance and ensure accountability</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Process for obtaining and using feedback from stakeholders</b>	Board has no process to obtain feedback from mechanism stakeholders	Feedback from stakeholders is limited to presentations by staff or “highlights”/ presentations/ interactions with service recipients at board meetings; not all stakeholders represented.	Board does receive positive and negative feedback from stakeholders but feedback is anecdotal; board discusses feedback with CEO/staff and agrees on areas of improvement	Board has formal process in place (e.g., stakeholder committee) to obtain feedback from stakeholders without filters by the staff; board ensures that the results from the stakeholder feedback are used to inform strategy and resource allocation	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

Improve board performance	<b>1</b> Poor	<b>2</b> Average	<b>3</b> Good	<b>4</b> Distinctive	Comments
<b>Goal setting for the board as a follow-on to strategic planning</b>	No specific goals exist for the board	Board translates strategic plan into goals in an ad-hoc manner and does not assign responsibilities to board committees	Board translates strategic plan into goals only in certain categories like fund-raising	Board translates the strategic plan for the organization into a set of concrete goals for the board and board committees, including timelines and required staff support	
<b>Evaluation of board performance against goals</b>	No evaluation is conducted by the board on its performance against the goals	Board informally evaluates its performance on major objectives	Board formally evaluates its performance on major goals but no feedback mechanism exists to improve board functioning	Board evaluates its performance against the goals and uses the lessons learned to develop plans to improve board effectiveness	
<b>Process for evaluating individual directors</b>	No process in place for individual member performance	Evaluations of individual directors occur informally as part of re-nomination process. Evaluations are light touch and board seems to have a lot of “deadwood”	Board committee in place to evaluate individual director performance jointly with director at time of re-nomination; most board members are seen as valuable contributors to organization governance	Board committee in place to evaluate individual director performance periodically and jointly discusses how to help a director give his/her best to the organization; little collective tolerance for directors who are not active in organization governance and support	
<b>Developing a plan for improving board performance over time</b>	Board discussion of its own performance is very limited and largely unstructured	Informal process for evaluating board performance is largely CEO/chair driven and plan for improvement is not widely known by directors	Board organizes to review performance every several years; board leadership generally seen to have a plan for improving performance	Formal process (e.g., annual self assessment) results in a clear plan for improvement; board collectively owns the topic of improving its value to the organization	

## McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

### SECTION 2: PERCEIVED IMPORTANCE OF RESPONSIBILITIES FOR THE NEXT 1-2 YEARS

A nonprofit board adds value by undertaking each of the nine responsibilities identified; however, boards rarely have time to focus on all the responsibilities. Good nonprofits prioritize their activities depending the context of the organization. As you complete this section please choose those areas of potential board focus that are most needed over the next 1 to 2 years to ensure the organization succeeds against its mission.

How important is it for your board to focus on:	Low	Medium	High
Clarifying the organization's mission or vision		<input type="checkbox"/>	<input type="checkbox"/>
Resolving key strategic or policy issues (please identify issues below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing (or replacing) the CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing the financial resources needed to support the strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Providing expertise or access to support organizational priorities (please identify priorities below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building/enhancing reputation of organization with key stakeholders/community (please identify stakeholders/community targets below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overseeing financial performance and ensuring adequate risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assessing performance against mission and key program priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving board performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please add any additional thoughts to explain your answers or identify additional needs:**

### SECTION 3: ENABLERS OF BOARD EFFECTIVENESS

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

<b>Size and structure</b>	<b>1 Poor</b>	<b>2 Average</b>	<b>3 Good</b>	<b>4 Distinctive</b>	<b>Comments</b>
<b>Board size</b>	Board either too small, creating heavy work for volunteer members or inadequate coverage of key responsibilities, or too large to form cohesive group; board has not addressed size as issue to be resolved	Board size is largely legacy of past decisions; imbalances exist in workload and/or coverage of board roles.	While not a topic of discussion, board size for most part adequately meets the board's needs	Board discusses issue of size explicitly and directors widely believe the current size adequately balances: <ul style="list-style-type: none"> <li>▪ Coverage of roles</li> <li>▪ Cohesiveness among members</li> <li>▪ Work load</li> </ul>	
<b>Executive committee (if it exists)</b>	Executive committee acts as de-facto board, which tends to demoralize other board members	Executive committee exists although role is not clearly understood by all board members; emerging sense that executive committee may overstep its appropriate bounds	Executive committee has clear role, well understood and supported by all board members; value of executive committee as resource not completely exploited by the organization	Executive committee has clear role, well understood and supported by all board members; serves as a valuable resource to the board chair and CEO in guiding the organization and also in improving the overall board performance	
<b>Committee structure: Purpose and charter of committees</b>	Committee structure mirrors staff functions and not organizational priorities; charter unclear or indistinguishable from staff functions	Committees are logically organized and reflect organizational priorities but few have clear charter/ goals	Most standing committees have clear charter and reflect organizational priorities with few exceptions	Committee structure explicitly designed with clear charter around organizational priorities; board effectively uses mix of ad-hoc and standing committees to fulfill objectives	
<b>Mechanisms for affiliation with organization other than governance board membership</b>	Non-board mechanisms to increase affiliation with organization have not been considered, although some members see potential benefits	Organization has non-governance board affiliation options but there is considerable role confusion or options do not seem to achieve desired objectives	Mechanisms in place but effectiveness or coverage of key constituencies varies	Board has effective structures/mechanisms for affiliation such as advisory groups with well-defined roles or, such options have been considered and rejected as not necessary	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 3: ENABLERS OF BOARD EFFECTIVENESS

Composition	1 Poor	2 Average	3 Good	4 Distinctive	Comments
<b>Understanding of board composition needed to meet organizational goals</b>	There is little discussion of desired board member skills/attributes; as a result board composition seems to be a legacy of random conversations/initiatives	Needs discussed are largely about how we can get more large donors. Significant gaps exist in skills needed by board	The process of identifying board needs is not as strong as it could be, but for the most part few gaps exist	Systematic process for identifying needed board skills driven by strategic plan; gaps are understood and agreed to by the entire board; most new board members seem to “fit our needs well”	
<b>Process and criteria for recruitment</b>	Recruitment process is ad-hoc; Board is largely reactive to the suggestions of a few board members/ CEO	Formal process exists to identify and cultivate potential members. Candidate pool is generally seen as more narrow and a sense exists that other boards in area attract a stronger pool of directors	Formal recruitment process with clear criteria in place; Board seems to surface a strong list of potential candidates, but converts on a smaller percentage than it would like	Formal process with clear evaluative criteria in place; whole board reaches out to potential members from a wide range sources; recruitment process is continuous and with multi-year horizon; new members are seen as great additions to the board	
<b>Diversity on the board</b>	Diversity not a topic of conversation and no material representation of potentially useful sources of diversity	Board’s view of diversity not tailored to the needs of the organization and board has not achieved the desired composition	Board understands the types of diversity needed, has a plan to achieve the desired diversity and is on its way to fulfilling it	Board understands types of diversity needed for organization and the value of diversity; current diversity on the board adequately reflects the diversity needed	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

Composition	1 Poor	2 Average	3 Good	4 Distinctive	Comments
<b>Term limits</b>	No clear policy on term limits exists	Term limits policy exists, but the board tends to reappoint current members until term limits are reached	Although term limits works for the most part, exceptions exist, tilting to either the need for new members or the desire to retain a few exceptional long-standing members. Exiting directors are frequently “lost” to the organization	Term limits effectively balance: <ul style="list-style-type: none"> <li>▪ Need for new members/skills</li> <li>▪ Retention of valuable directors</li> </ul> Mechanisms are in place for ensuring continued involvement of high-performing retiring board members	
<b>Orientation of new members</b>	No formal orientation for new board members	Formal orientation exists but misses key topics; new directors feel welcomed, but take a while to get up to speed	Effective formal orientation covers key topics, but misses the opportunity to welcome/listen to new directors. Initial new director roles sometimes don’t make sense/inspire new members	Formal orientation process covers key topics (mission, organization, finances, responsibilities of directors); committee assignments are welcomed by new directors who quickly become effective members of the board	



# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 3: ENABLERS OF BOARD EFFECTIVENESS

Leadership (board chair and committee leaders)	1 Poor	2 Average	3 Good	4 Distinctive	Comments
<b>Process for deciding who leads and for how long</b>	No clear process exists for selecting the leadership and/or most members do not know the selection process	Process exists for selecting/transitioning board and committee leadership; Some confusion within board about process or election criteria or leadership tenures	Process exists for selecting leadership at board and committee levels although leadership criteria not articulated. Expected duration of leadership positions not articulated	Clear, well-understood, and accepted process is in place to select and transition board and committee leadership. Board leadership decisions seen to strengthen performance of institution	
<b>Succession planning and development of board leaders</b>	No process (formal or informal) in place to cultivate next generation of board leaders	Next generation of leaders has yet to be identified by current leaders. Succession decisions result in need for much learning on the job	Future leaders are identified and given opportunities to lead. Most transitions are seen as appropriate and timely	Process in place to identify and develop board leaders; committee assignments rotated to give board members experience and opportunity to lead; board seen to have a rich set of future leaders	
<b>Quality of leadership relationship with CEO/ key staff</b>	Leadership working relationship with the CEO is strained	Board chair has a good relationship with CEO though relationships with staff are under-developed; committee leaders do not interact with CEO or staff very often or effectively	The board chair has an effective relationship with the CEO and key staff although at the committee level, the quality of relationship varies	Board leadership has an effective working relationship with the CEO and key staff	
<b>Effectiveness of board leadership</b>	Current board leadership is largely ineffective given the needs of the organization	Current effectiveness of board leadership group (chair, committee chairs) is mixed, due to varying degrees of skill and enthusiasm	For the most part, board leadership is effective with a few exceptions	Current board leadership has the necessary skills, enthusiasm, energy, and time to provide leadership to the board	

# McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM

## SECTION 3: ENABLERS OF BOARD EFFECTIVENESS

Processes	1 Poor	2 Average	3 Good	4 Distinctive	Comments
<b>Quality of preparation</b>	Calendar of meetings for the year and agenda for individual meetings not established in timely manner; Board receives materials during meetings	Calendar of meetings established although anticipated content not included; Board receives agenda and some materials ahead of meeting; Materials not of appropriate quality for board to prepare; Additional meeting time required to get board up to speed	Board receives agenda and meeting materials for individual meetings in a timely manner; Annual calendar allows appropriate time for previewing/ consideration of key decisions	Calendar of meetings set and distributed for the year; agenda for the individual meetings sent out ahead of time with indication of expected focus/ high impact areas for board consideration; board receives quality background materials well in advance of meetings and arrive prepared	
<b>Effective meeting processes</b>	Meetings often start late and run long; Majority of time spend on presentations to board without sufficient time for board debate and discussion	Meetings start and end on time although structure of agenda revolves around CEO/staff 'show and tell'; Significant board debate on issues not expected or desired	Significant amount of agenda is CEO/staff 'show and tell'; Board has some time to debate but discussion is often cut short due to time constraints. Some members do not contribute, although they could	Meetings start and end on time and time is managed to ensure board discussion on all important topics; minimal 'show and tell' by the CEO/staff; most time dedicated to board discussion and debate on important issues. Board members feel involved and their contributions valued	
<b>Fun and Passion</b>	Board views meetings as a chore; board members do not socialize before or after the meetings	Board meetings are for the most part work driven and lack opportunities for camaraderie building and connecting to the mission; Members don't mind having to miss a meeting now and then	Board meetings are for the most part productive and fun; some attempts are made to include activities to build camaraderie and connect board members with the mission; attendance is typically high	Board interactions are productive and enjoyable; good mixture of work and fun activities including effective efforts to connect board members to the mission (e.g., site visits); board members hate to miss meetings	

**McKINSEY & COMPANY NONPROFIT BOARD SELF ASSESSMENT TOOL – LONG FORM**

**OTHER COMMENTS:**

# THE PERFORMANCE IMPERATIVE

A FRAMEWORK FOR SOCIAL-SECTOR EXCELLENCE

Release 1.0  
February 2015

*Developed collaboratively by the*  
**LEAP OF REASON  
AMBASSADORS COMMUNITY**



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THE  
PERFORMANCE  
IMPERATIVE



# BACKGROUND AND CONTEXT

## WHO DEVELOPED ‘THE PERFORMANCE IMPERATIVE’?

“The Performance Imperative” (PI) is the result of a full year of collaborative work by the Leap of Reason Ambassadors Community, a group of nonprofit leaders brought together and coordinated by the Leap of Reason team ([leapofreason.org](http://leapofreason.org)). The purpose of the community is to:

- inspire, motivate, and support nonprofit and public sector leaders (and their stakeholders) to build great organizations for greater societal impact
- increase the expectation and adoption of high performance as the path toward that end.

Through in-person meetings, teleconferences, online discussions, expert interviews, and the vetting of drafts, the Ambassadors Community sought and then synthesized the knowledge of leaders representing many different parts of the nonprofit ecosystem. On page 14, you will find a list of the ambassadors who participated in this iterative process and endorse what you see here.

We owe a special thank you to Cynthia Figueroa and Michael Bailin, who oversaw the Ambassadors Community’s development of the PI.

## WHY DID WE DEVELOP THE PI?

We felt we should begin our work together by crafting a common definition of “high-performance organization.” We knew that without a thoughtfully developed, thoroughly vetted definition of “high performance,” any call for raising performance in our sector would ring hollow. In addition to providing a common definition of “high performance,” the PI also lays out in detail the seven organizational pillars that can help you achieve high performance. To crib from the late author Stephen Covey, these are the seven habits of highly effective organizations.

# BACKGROUND AND CONTEXT

## HOW DO WE HOPE LEADERS WILL USE THE PI?

We do not intend this document to be a manifesto. We hope it will be a North Star to guide leaders on a journey of continuous learning and improvement—so they can make as much difference as they possibly can for the people and causes they serve.

We hope:

- **nonprofit boards** will use the PI as the centerpiece of retreats focused on living up to their fiduciary responsibility to serve their beneficiaries in the most effective way
- **nonprofit executives** will use it to develop their strategic plans, professional development efforts, and even performance reviews
- **funders and public agencies** will use it to spark introspection about how they can better support their grantees' pursuit of performance and what new skillsets they need to add to their teams
- **professors** will build it into the syllabus and structure of relevant courses
- **management and evaluation consultants** will build on it as they help nonprofits plan, build, grow, learn, and improve
- **websites for nonprofit information and ratings** will take the PI into account as they seek to provide funders with greater insights into the performance of nonprofits.

## TO WHAT END? IN OTHER WORDS, WHY SHOULD YOU CARE ABOUT HIGH PERFORMANCE?

The journey toward high performance leads to more meaningful, measurable change—whether it's lifting families out of homelessness, closing global health inequities, preserving land, inspiring artistic expression, raising educational achievement, or any of the myriad missions that give purpose to the world's social-sector organizations. Along this journey, leaders come to master the critical disciplines they need to ensure that they're achieving net impact (results beyond what would have happened anyway) and avoiding inadvertent harm.

In this era of scarcity and seismic change, high performance matters more than ever. The social and public sectors simply don't have the resources to expend on efforts that are based primarily on good intentions and wishful thinking rather than rigor and evidence. They are increasingly steering resources toward efforts that are based on a sound analysis of the problem or need, grounded assumptions about how an organization's activities can lead to the desired change, assessments to determine



# BACKGROUND AND CONTEXT

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whether hard work is paying off, and a desire to keep getting better over time. This formula is at the core of high performance—and it’s just as applicable to organizations that are cutting-edge innovators as it is to institutions that are tried-and-true.

## WHO CAN BENEFIT FROM THE PI?

We realize that the PI, which calls for investments in seven organizational disciplines, may appear daunting to the many under-resourced organizations caught in the “nonprofit starvation cycle.” But the reality is that achieving high performance does require significant resources. Therefore, we believe the insights in this document are most immediately applicable to organizations that have budgets of \$3 million or more and can fathom investing in their own infrastructure. Even if you have a smaller budget and tight financial constraints, you will still find ideas here to help you get better at getting better.

Some of the details you will find on pages 7 to 13 have a special focus on organizations that provide direct services, including those in the fields of health, education, human services, and the arts. We believe the overarching framework is relevant for organizations of almost any type.

The PI can help nonprofits at different stages of their organizational development. We encourage you to read with an eye to your organization’s specific stage of development.

The PI focuses on the level of an individual organization rather than the level of communities, fields, or ecosystems. We put forward an organization-level framework because we believe that high-performance collaborations require high-performance organizations at their core. We hope that eventually others will build on what we’ve defined here and provide guidance on what a high-performance network is and what it takes to achieve it.

## WILL WE UPDATE THE PI?

This first public release is not a *fait accompli*. We will be making periodic updates to refine, adapt, and elaborate on what you see here. We want to improve our work—consistent with the PI itself—with input from leaders with different views and experiences. Indeed, we are eager for your feedback, especially as you begin to use the PI.

*If the PI resonates with you, we encourage you to use it to guide and gauge your journey toward high performance. The journey won’t be linear. It won’t be easy. But ultimately it will be rewarding for you, your stakeholders, and the causes you’ve dedicated your life to advancing.*



# THE DEFINITION AND PILLARS OF HIGH PERFORMANCE

## OUR COMMON DEFINITION OF 'HIGH PERFORMANCE'

*High performance is the ability to deliver—over a prolonged period of time—meaningful, measurable, and financially sustainable results for the people or causes the organization is in existence to serve*

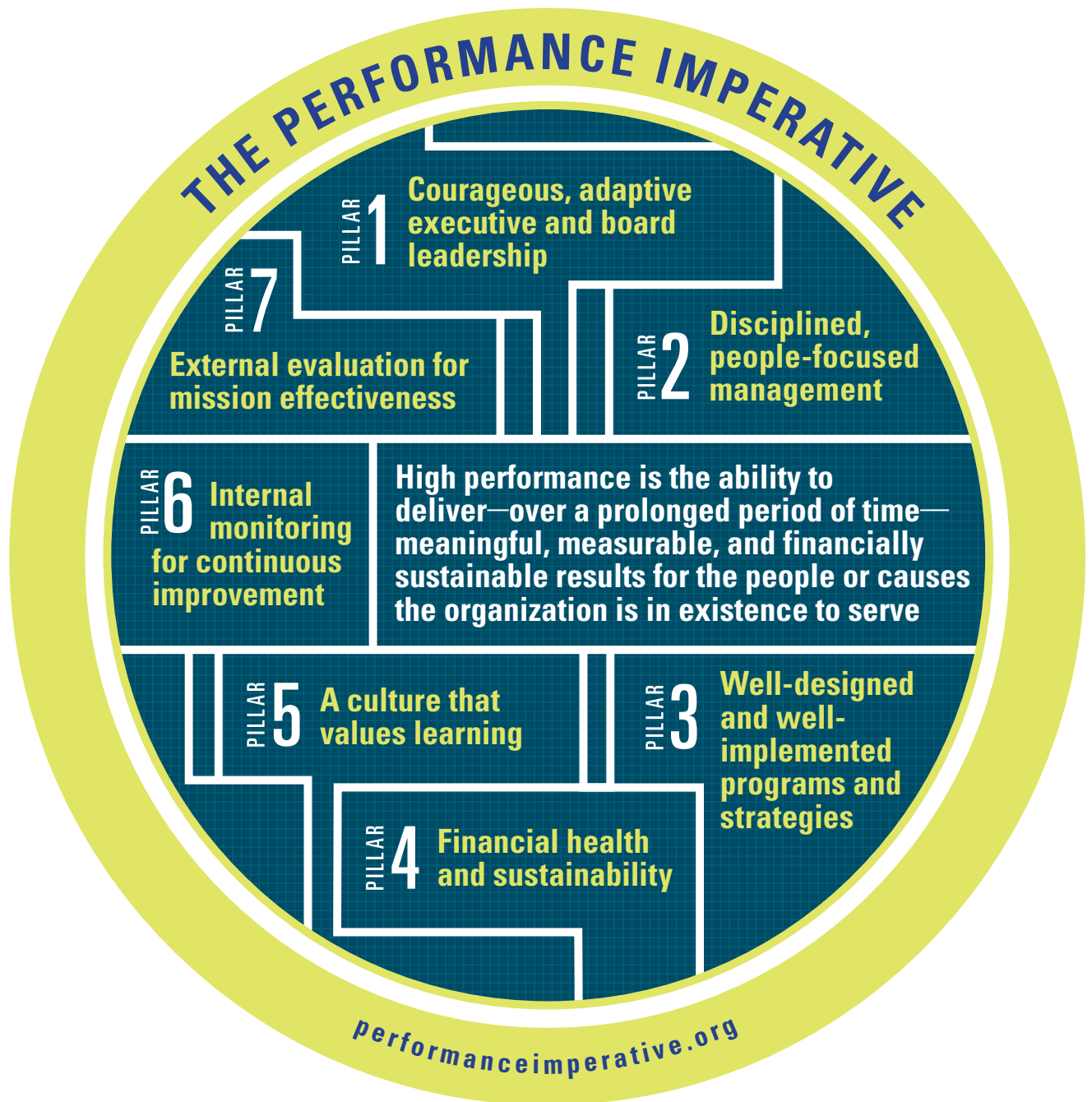
## THE SEVEN PILLARS OF HIGH PERFORMANCE

Organizations that commit to pursuing high performance generally make the most progress by cultivating seven core disciplines:

- **Pillar 1:** Courageous, adaptive executive and board leadership  
*(the preeminent pillar)*
- **Pillar 2:** Disciplined, people-focused management
- **Pillar 3:** Well-designed and well-implemented programs and strategies
- **Pillar 4:** Financial health and sustainability
- **Pillar 5:** A culture that values learning
- **Pillar 6:** Internal monitoring for continuous improvement
- **Pillar 7:** External evaluation for mission effectiveness

*Note: We recognize that even the most exemplary high-performance organizations do not excel in all seven pillars equally or simultaneously.*

# THE DEFINITION AND PILLARS OF HIGH PERFORMANCE



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THE  
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# COURAGEOUS, ADAPTIVE EXECUTIVE AND BOARD LEADERSHIP

## *In high-performance organizations:*

- Executives and boards **embrace their responsibility to deliver meaningful, measurable, and financially sustainable results** for the people or causes the organization is in existence to serve.
- Boards are **strong, assertive governors and stewards**, not just supporters and fundraisers. They recruit, advise, and hold accountable the lead executive (CEO). They ask probing questions about whether the organization is living up to its promises and acknowledge when course correction is needed.
- Executives and boards **clarify the mission** (purpose) of their organization and inspire people to work to achieve it.
- Executives and boards **recruit, develop, engage, and retain the talent** necessary to deliver on this mission. They know that great talent is a huge differentiator between organizations that are high performing and those that aren't.
- Executives and boards **marshal the external partners and resources** necessary to deliver on their mission.
- Executives and boards **passionately push the organization to get better at meeting its mission and to reduce costs** without compromising quality.
- Executives and boards are humble enough to **seek and act on feedback on their own performance and that of their organization**. Even the highest of high performers know that they haven't figured it all out and acknowledge that they still have a lot of work to do.
- Executives and boards are constantly assessing not only what the organization should be doing but also **what it should stop doing**, with an eye to redirecting scarce resources to the highest-opportunity areas.
- Executives and boards **clearly define their respective roles**.
- Executives and boards model **thoughtful, clear, informative, and timely internal and external communications**. They see communications as a strategic function that is essential for delivering great results and not just good PR.

# DISCIPLINED, PEOPLE-FOCUSED MANAGEMENT

## *In high-performance organizations:*

- Managers **translate leaders' drive for excellence into clear workplans and incentives** to carry out the work effectively and efficiently.
- Managers' **decisions are data informed** whenever possible.
- Managers, like executives and boards, have the ability to **recruit, develop, engage, and retain the talent** necessary to deliver on the mission. They help staff get the tools and training they need in order to deliver the desired results.
- Managers **provide opportunities for staff to see themselves in the work**—that is, to see how each person's work contributes to the desired results.
- Managers **establish accountability systems that provide clarity** at each level of the organization about the standards for success and yet **provide room for staff to be creative** about how they achieve these standards.
- Managers **provide continuous feedback** to team members and augment that ongoing feedback with periodic performance reviews. They view performance reviews as an opportunity for staff development and coaching.
- Managers **acknowledge when staff members are not doing their work well**. They give these staffers help to improve or move them to more suitable roles. If it becomes clear that staff members are unable or unwilling to meet expectations, managers are **not afraid to make tough personnel decisions** so that the organization can live up to the promises it makes to beneficiaries, donors, and other key stakeholders.

*Note: We recognize that an organization with a very small staff usually can't afford to draw a distinction between leaders and managers. In our experience, this distinction starts to be meaningful for organizations with budgets of \$1 million, and organizations with budgets over \$2 million can truly build this kind of thinking into their DNA.*

# WELL-DESIGNED AND WELL-IMPLEMENTED PROGRAMS AND STRATEGIES

*In high-performance organizations:*

- Leaders and managers are **clear on the target population or audience** they serve and are passionate about serving them.
- Leaders and managers base the design of their programs and strategies on a **sound analysis of the issues, insights from intended beneficiaries, and evidence-informed assumptions** about how the organization's activities can lead to the desired change (often referred to as a "theory of change").
- Leaders and managers design programs with **careful attention to the larger ecosystem in which they operate**, including racial, cultural, geographic, historical, and political dynamics.
- Leaders and managers **implement their programs in a consistently high-quality manner**. They view collecting and using data as part and parcel of implementing high-quality programs.
- Leaders and managers do a good job of **recruiting, retaining, motivating, listening to, and learning from their participants and intended beneficiaries**
- In the case of direct-service organizations, leaders and managers **invest in building strong relationships between staff and participants**, because this relationship may be the single biggest determinant of whether participants will stay engaged in programming and thereby achieve the desired results.
- Leaders and managers **guard against the temptation to veer off course in search of numbers that look good in marketing materials or reports to funders**.

# FINANCIAL HEALTH AND SUSTAINABILITY

## *In high-performance organizations:*

- The board and senior management **take charge of their organization's financial destiny**. They articulate the value they deliver and develop overall financing strategies, tightly aligned with their mission, to support and sustain it.
- The board and senior management establish **strong systems for financial stewardship** and accountability throughout their organization.
- The board, management, and staff build and participate in **budget processes that are oriented toward achieving results** and not just conducting activities. This means allocating adequate resources for monitoring and evaluation. And it means making hard choices, especially in tough financial times, to direct money where it needs to go to drive the intended results.
- The board and senior management **share their financial results transparently** with key stakeholders at regular intervals.
- The board and management **nurture the external financing relationships** required to support their operations. They treat fund development as a strategic function that requires focus, management, capital, and specialized skill sets. They ensure clearly defined roles for the board and staff.
- The board and senior management operate their organization with **margins that allow them to build their balance sheet**. They fund the depreciation on buildings and equipment. They build internal cash reserves that brace them for unknown events, put them in a position to finance their own receivables if necessary, and enable them to negotiate a line of credit with a financial institution.
- The board, management, and key staff **understand their organization's cost structure**, which aspects of it are required to produce high-quality programs and/or services, and how it aligns with reliable revenue sources for funding it year in and year out. They are relentless in making necessary investments with an eye to costs and benefits while being equally relentless in reducing unnecessary costs.
- Senior management **uses financial models to make clear and transparent the organization's financial condition** and, at any given point, predict how it will end the year (and what will make the prediction more or less reliable).
- Senior management instills an organization-wide **discipline of compliance with all regulatory requirements**.

# A CULTURE THAT VALUES LEARNING

## *In high-performance organizations:*

- The board, management, and staff **understand the organization's mission and desired results and review them periodically** to ensure that they are still relevant.
- The board, management, and staff **continually seek to do even better for the people or causes they serve.**
- People in all parts of the organization have **high expectations of themselves** and of their peers.
- The board, management, and staff **take on the challenge of collecting and using information**, not because it's a good marketing tool, and not because a funder said they have to. They believe it is integral to ensuring material, measurable, and sustainable good for the people or causes they serve.
- The board, management, and staff look for **opportunities to benchmark themselves against, and learn from, peer organizations** that are at the top of their field.
- Senior management leads by example and encourages people throughout the organization to **be curious, ask questions, and push each other's thinking** by being appropriately and respectfully challenging. High-performance cultures are innovative cultures, mindful that every program and process eventually becomes dated, even obsolete.
- Senior management creates the conditions for staff members to **feel safe acknowledging when there are problems**. They use what others might deem "failures" as an opportunity for learning.
- Even the busiest leaders, managers, and staff members **carve out some time to step back, take stock, and reflect.**

# INTERNAL MONITORING FOR CONTINUOUS IMPROVEMENT

## *In high-performance organizations:*

- The board, management, and staff work together to **establish clear metrics**, tightly aligned with the results they want to achieve, for each program and for the organization as a whole.
- Management and staff **produce frequent reports on how well the organization is implementing its programs and strategies**. Management and staff use these reports to chart course corrections and make operational and programmatic improvements on an ongoing basis.
- Management and staff **make the collection, analysis, and use of data part of the organization's DNA**. They ensure that people throughout the organization understand the key metrics. And they invest in helping staff gain comfort in working with data as a natural part of their job.
- Management and staff **don't collect excessive information**. They focus on collecting information that is relevant for determining how well they are achieving the desired results, understanding what mix of efforts is critical to achieving those results, and continuously improving their results over time. Ideally, applying this information makes staff members' jobs easier and more effective, rather than simply adding to their burden.
- The board, management, and staff **draw extensively on lessons from organizational assessments and evaluations of like programs** serving similar causes or populations.



# EXTERNAL EVALUATION FOR MISSION EFFECTIVENESS

## *In high-performance organizations:*

- Leaders **complement internal monitoring with external evaluations conducted by highly skilled, independent experts.**
- Leaders commission external assessments to **learn more about how well their programs are being run, what these programs are or are not accomplishing, who is or is not benefiting, and how the programs can be strengthened.** Leaders do not use external assessments as a one-time, up-or-down verdict on the organization's effectiveness.
- Leaders recognize that there are many different types of external assessments, and **no one type is right for every organization or for every stage of an organization's development.** Independent evaluators who understand how different methodologies fit different contexts can help leaders **match the tool to the task.**
- Leaders draw a clear distinction between outputs (e.g., meals delivered, youth tutored) and outcomes (meaningful changes in knowledge, skills, behavior, or status). Those who are working to improve outcomes **commission evaluations to assess whether they are having a positive net impact.** In other words, they want to know to what extent, and for whom, they're making a meaningful difference *beyond what would have happened anyway.*
- Leaders who plan to expand significantly any programs aimed at improving outcomes have **a special obligation to commission a rigorous evaluation that can assess net impact.**
- Even those leaders who commission the most rigorous of impact evaluations do not stop there. They **commission additional assessments to gauge their impact in new settings** (or for new populations) and achieve greater positive impact for the money they spend.
- Leaders **share the methodology and results of their external assessments** to help others learn and avoid mistakes.

*Note: We crafted this pillar with a special focus on organizations that provide services, but we believe the core concepts are relevant for other types of nonprofits as well—from those that advance human rights to those that protect ecosystems.*

# THE LEAP OF REASON AMBASSADORS WHO ENDORSE 'THE PERFORMANCE IMPERATIVE'

## *Ambassadors Who Developed Collaboratively 'The Performance Imperative'*

**Ayo Atterberry**, Senior Associate, Annie E. Casey Foundation

**Cynthia Bailie**, Executive Director, Veale Foundation

**Michael Bailin**, former President and CEO, Public/Private Ventures and the Edna McConnell Clark Foundation

**Molly Baldwin**, Executive Director, Roca, Inc.

**Gordon Berlin**, President, MDRC

**Dominique Bernardo**, CFO, Congreso de Latinos Unidos

**Ingvild Bjornvold**, former Director of Strategic Initiatives, Social Solutions, Independent

**Elizabeth Boris**, Founding Director, Center on Nonprofits and Philanthropy, Urban Institute

**Phil Buchanan**, President and CEO, Center for Effective Philanthropy

**Steve Butz**, Chairman, Superstar Foundation

**Daniel Cardinali**, President, Communities In Schools

**Paul Carttar**, Senior Advisor and Co-Founder, The Bridgespan Group, Inc.

**Isaac Castillo**, Director of Outcomes, Assessment, and Learning, Venture Philanthropy Partners

**Amy Celep**, CEO, Community Wealth Partners

**Cheryl Collins**, Senior Advisor, Morino Ventures; Leap of Reason Team

**Brad Dudding**, Chief Operating Officer, Center for Employment Opportunities

**Nell Edgington**, President, Social Velocity

**Cynthia Figueroa**, President, Congreso de Latinos Unidos

**Matthew Forti**, Director, One Acre Fund

**Anne Goodman**, President and CEO, Saint Luke's Foundation of Cleveland, Ohio

**Allen Grossman**, Professor of Management Practice, Harvard University

**David Hunter**, Founder, Hunter Consulting, LLC

**Michele Jolin**, CEO and Co-Founder, Results for America

**Bridget Laird**, CEO, WINGS for Kids

**Pat Lawler**, Chief Executive Officer, Youth Villages

**Adam Luecking**, CEO, Results Leadership Group

**Tris Lumley**, Director of Development, New Philanthropy Capital

**Kristin Anderson Moore**, Senior Scholar and Senior Program Area Director, Child Trends

**Amy Morgenstern**, President, Main Stream Enterprises

**Mario Morino**, Chairman, Morino Institute; Co-Founder and Founding Chair, Venture Philanthropy Partners; Leap of Reason Team

**Debra Natenshon**, Principal, DBN & Associates

**Nancy Osgood**, President, The Osgood Group

**Katie Paris**, President, Paris Midwest, LLC; Leap of Reason Team

**Patricia Patrizi**, Principal, Patrizi Associates

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**Julie Russell**, Senior Vice President of Planning and Evaluation, United Way of Greater St. Louis

**Lou Salza**, Head of School, Lawrence School

**Nadya Shmavonian**, Independent Consultant, former President, Public/Private Ventures

**Alice Shobe**, Strategic Advisor, Building Changes

**Bill Shore**, Founder and CEO, Share Our Strength

**Daniel Stid**, Director, The Madison Initiative, William and Flora Hewlett Foundation

**Nan Stone**, Senior Advisor, The Bridgespan Group, Inc.

**Lynn Taliento**, Partner, Philanthropy and Global Public Health, McKinsey & Company

**Kate Tansey**, Director of Development, Independence Center

**Tiziano Tazzi**, President, Fondazione Lang Italia

**Fay Twersky**, Director, Effective Philanthropy Group, William and Flora Hewlett Foundation

**Victoria Vrana**, Senior Program Officer, Charitable Sector Support Team, Bill & Melinda Gates Foundation

**Rick Wartzman**, Senior Advisor, Drucker Institute

**Lowell Weiss**, President, Cascade Philanthropy Advisors; Leap of Reason Team

**Mary Kopczynski Winkler**, Senior Research Associate, Urban Institute

**Denise San Antonio Zeman**, former President and CEO, Saint Luke's Foundation of Cleveland, Ohio

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THE  
PERFORMANCE  
IMPERATIVE

# THE LEAP OF REASON AMBASSADORS WHO ENDORSE 'THE PERFORMANCE IMPERATIVE'

## *Ambassadors Who Joined After 'The Performance Imperative' Was Developed*

**Elisabeth Babcock**, President and CEO, Crittenton Women's Union

**Jon Baron**, Vice President for Evidence-Based Policy, Laura and John Arnold Foundation

**Daniel Ben-Horin**, Founder and Chief Instigator, TechSoup Global

**Ken Berger**, Managing Director & Chief Educator, Algorhythm

**Will Berkovitz**, Chief Executive Officer, Jewish Family Service of Seattle

**Steffen Bohni**, Managing Director, Children and Educational Services, Gribskov Municipality

**David Bonbright**, Co-Founder and Chief Executive, Keystone Accountability

**Adrian Bordone**, Vice President, Strategic Services, GuideStar

**Jeff Bradach**, Managing Partner, The Bridgespan Group, Inc.

**Jeff Brenner**, Medical Director, Urban Health Institute at Cooper University Healthcare; Executive Director, Camden Coalition of Healthcare Providers

**Jennifer Brooks**, Senior Program Officer, Bill & Melinda Gates Foundation

**Jim Canales**, President, Barr Foundation

**Sam Cobbs**, CEO, First Place for Youth

**Brian Donley**, Chief of Staff, Cleveland Clinic

**Alnoor Ebrahim**, Associate Professor, Social Enterprise Initiative, Harvard Business School

**Chip Edelsberg**, Executive Director, Jim Joseph Foundation

**Nicolaj Ejler**, Senior Director, Public Policy and Planning, Ramboll Management

**Carol Emig**, President, Child Trends

**Dean Fixsen**, Senior Scientist, National Implementation Research Network

**Tom Fox**, Vice President, Leadership and Innovation, Partnership for Public Service

**Michelle Gilliard**, Partner, Venture Philanthropy Partners

**Patrick Germain**, Chief Strategy Officer, Project Renewal

**Ann Goggins Gregory**, Chief Operating Officer, Habitat for Humanity Greater San Francisco

**David Grant**, Principal, Grant Associates

**Tracy Gray**, Managing Director, American Institutes for Research

**Tiffany Gueye**, CEO, BELL

**Marc Hardy**, Director, Nonprofit Executive Programs, University of Notre Dame

**Jacob Harold**, President and CEO, GuideStar

**Harry Hatry**, Distinguished Fellow and Director of the Public Management Program, Urban Institute

**Rem Hoffmann**, President and CEO, Exponent Partners

**Matt Huckabay**, Executive Director, The Center for Violence-Free Relationships

**Beth Kanter**, Speaker and Author, Nonprofit Capacity Development and Training

**Alexia Kelley**, President, Foundations and Donors Interested in Catholic Activities (FADICA)

**John Kelly**, Deputy Chief of Staff, Corporation for National & Community Service

**Mari Kuraishi**, Co-Founder and President, GlobalGiving

**Phil Lee**, President, Results Leadership Group

**Patrick Lester**, Principal, Social Innovation Research Center

**Michael McAfee**, Vice President for Programs, PolicyLink

**Emily McCann**, President, Citizen Schools

**Darin McKeever**, Chief Program and Strategy Officer, Davidson Foundation

**Marty Miles**, Workforce Development Consultant, Independent

**Hope Neighbor**, Partner, Camber Collective

**Brad Phillips**, President/CEO, Institute for Evidence-Based Change

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**Hilda Polanco**, Founder and CEO, Fiscal Management Associates, LLC

**Bob Rath**, President and CEO, Our Piece of the Pie

**John Read**, Chief Executive Officer, Tri-County Cradle to Career Collaborative

**Margot Rogers**, Vice Chairman and Senior Advisor, The Parthenon Group

**Nancy Roob**, President and Chief Executive Officer, Edna McConnell Clark Foundation

**Bill Ryan**, Principal, Ryan Consulting Group

**Ellen Schall**, Senior Presidential Fellow, New York University

**Steve Seleznow**, President and CEO, Arizona Community Foundation

**Paul Shoemaker**, Author; Founding President, Social Venture Partners International; & Advisor to UW Medicine and Fred Hutch Cancer Research Center

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**Sharon Sobol Jordan**, Chief of Staff, Cuyahoga County

**Lester Strong**, Vice President of Experience Corps

**Kelvin Taketa**, President and CEO, Hawaii Community Foundation

**Bob Templin**, President Emeritus, Northern Virginia Community College; Senior Fellow, The Aspen Institute

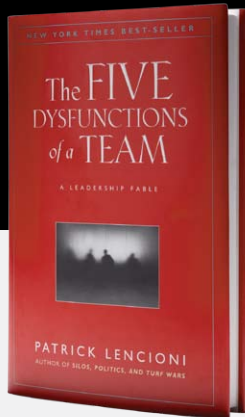
**Carol Thompson Cole**, President and Chief Executive Officer, Venture Philanthropy Partners

**Susan Urahn**, Executive Vice President, Pew Charitable Trusts

**Judy Vredenburg**, President and CEO, Girls Inc.

**Eric Walker**, Senior Advisor, InsideNGO

**Karen Walker**, Senior Research Fellow, Child Trends



# The Five Dysfunctions of a Team



## #1: Absence of Trust

The fear of being vulnerable with team members prevents the building of trust within the team.

## #2: Fear of Conflict

The desire to preserve artificial harmony stifles the occurrence of productive, ideological conflict.

## #3: Lack of Commitment

The lack of clarity or buy-in prevents team members from making decisions they will stick to.

## #4: Avoidance of Accountability

The need to avoid interpersonal discomfort prevents team members from holding one another accountable for their behaviors and performance.

## #5: Inattention to Results

The pursuit of individual goals and personal status erodes the focus on collective success.