The 2014

Board Engagement

Report

Executive Summary: The State of Boards

The board is the lifeblood of nonprofit organizations: Its members help hire and evaluate the leadership team. They spearhead fundraising efforts, supplemented by their own personal contributions. They mitigate risk, overseeing compliance and guiding good governance practices. They serve as champions and advocates in the community. And they help shape the organization's strategic direction, ensuring long-term sustainability and mission fulfillment.

So when a board suffers from low engagement, it puts the entire organization in jeopardy.

Our survey solicited the perspectives of board members across the country. In this report, we aggregate their responses, shedding light on the state of America's boards, and uncovering how board management affects member engagement.

We hope our findings help you take measurable steps to increase engagement and future-proof your board.

Thank you to those who participated in our survey, and we hope you find as much value in The 2014 Board Engagement Report as we did.

Sincerely,

Adam Roth
Founder & CEO, StreamLink Software

Introduction

StreamLink Software solicited a survey about board management and engagement, and invited board members to respond. We found that sound board management leads to more engaged and effective nonprofit boards. This report frames the issues nonprofit and board leaders must face to improve board engagement and fully leverage the board's potential in their organizations.

Methodology

StreamLink Software conducted a nationwide survey to better understand the expectations, engagement level and challenges of active board members.

The survey consisted of 20 multiple-choice questions. Responses were solicited through the StreamLink Software website, email and social media, and collected via HubSpot in July 2014. A total of 198 board members responded to the survey.

Certain responses are compared to a previous survey conducted by StreamLink Software, published in 2013. Download "Maximizing Board Engagement and Effectiveness" to view this earlier report in its entirety.

Section 1 | Today's Boards

Board members are being pulled in all directions, with competing priorities and commitments vying for their time and attention. To win and keep board members' focus, nonprofits must keep their boards engaged.

In Section 1, we unpack the engagement of board members across the U.S.; look at the expectations organizations have for their boards; assess how NPOs communicate with the board using technology and other means; and present how board members really feel about what's expected of them.
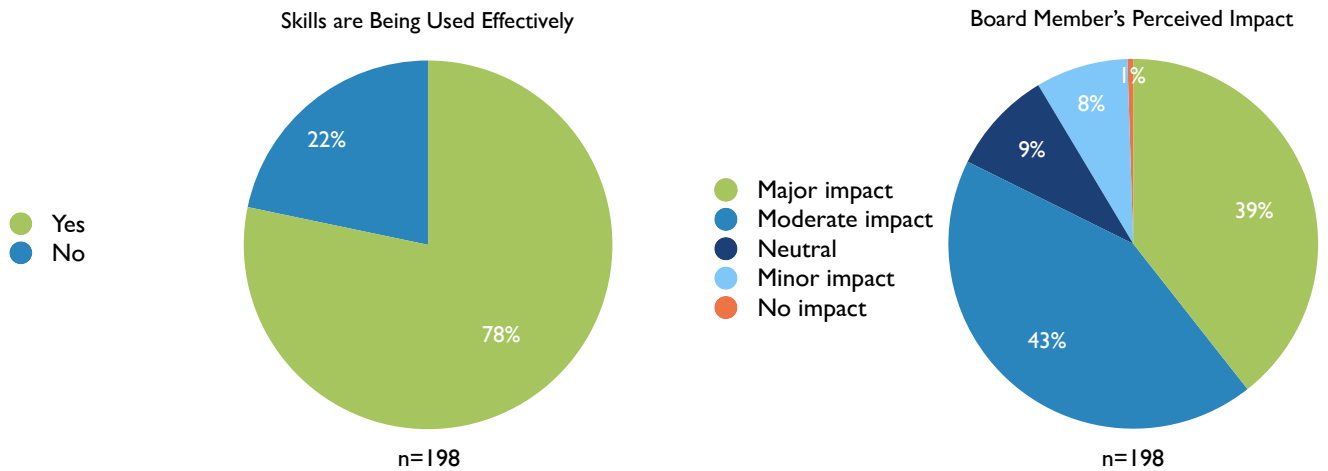
Engagement

Overall, respondents were engaged, with more than half of respondents stating that they are engaged (52%), and 31% describing themselves as very engaged. That said, it is likely that engaged members are more likely to voluntarily complete a survey. However, this still leaves 17% that are unengaged, very unengaged or unsure.

Engagement also correlates to satisfaction among active board members. Fifty-five percent of board members report feeling satisfied with their contributions as a board member, and 28% are very satisfied. This leaves 17% that are unsatisfied, very unsatisfied or unsure.

Board Engagement

- Engaged
- Very engaged
- Unsure
- Unengaged
- Very unengaged

52%
31%
8%
8%
1%

n=198

Board Member Satisfaction

- Satisfied
- Very satisfied
- Unsure
- Unsatisfied
- Very unsatisfied

55%
28%
9%
7%
1%

n=198
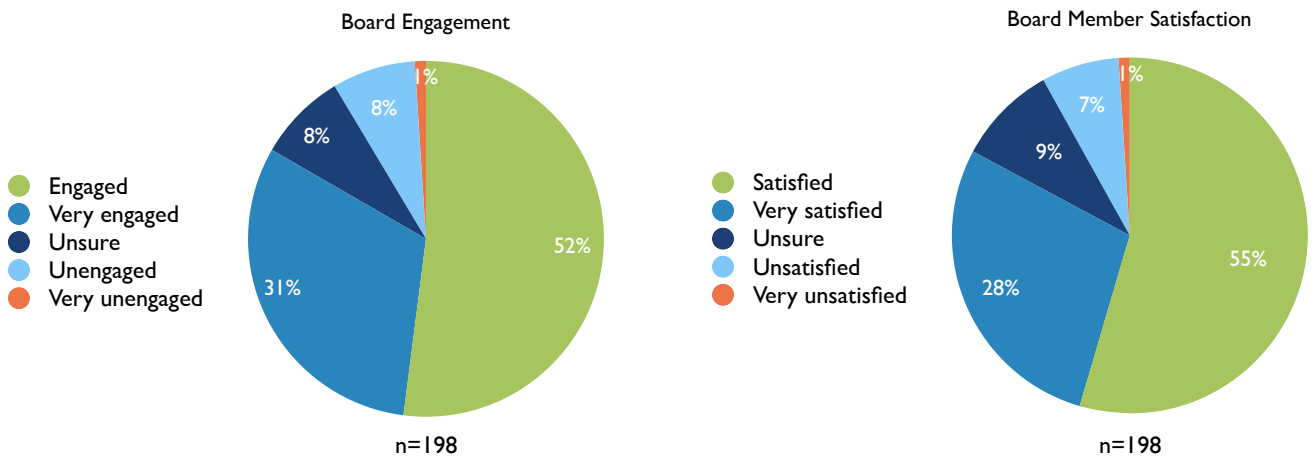
Based on the consistencies in responses related to engagement, satisfaction, use of their skills, and overall impact on the organization's strategic direction, it seems that approximately one in six board members are not fully satisfied or engaged. This is largely consistent with last year's findings (one in five).

Skills are Being Used Effectively

- Yes
- No

22%

78%

n=198

Board Member's Perceived Impact

- Major impact
- Moderate impact
- Neutral
- Minor impact
- No impact

1%
8%
9%
39%
43%

n=198

What are the symptoms of low board engagement?

Absenteeism. If a particular board member is frequently missing board and committee meetings, it may be a sign that he or she is becoming less engaged. Low meeting attendance, poor punctuality and absenteeism are signs that overall board engagement is dropping. (Tip: Not tracking member attendance? Start maintaining records of RSVP and attendance to monitor board member performance.)

High turnover. Frequent board member turnover destabilizes your board, making it difficult to maintain consistency in strategic vision, organizational leadership, and volunteer and donor bases. Be vigilant in the recruitment and vetting process, and make sure board member expectations are clear before candidates make a commitment.
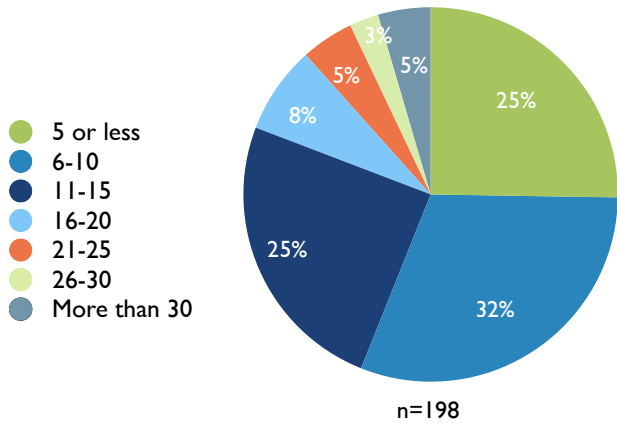
Low productivity. One of the more subtle symptoms, low productivity can be symptomatic of low engagement and board management inefficiencies. Common red flags are frequently missed deadlines, never-ending projects, diminished fundraising success, and dwindling volunteer and donor bases.
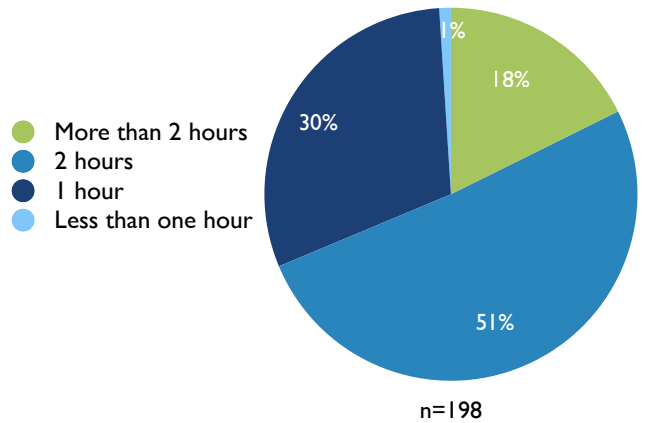
Expectations

Board member expectations, often outlined in an expectation statement or similar document, usually include the time commitment board members must meet. According to respondents, most boards and committees have 15 or fewer meetings per year (81%), and most board meetings last 1-2 hours (81%), with about half being two hours in length (51%).

Most believe their board expectations and role responsibilities are clearly defined (84%), and state that they "understand expectations very well" (74%).
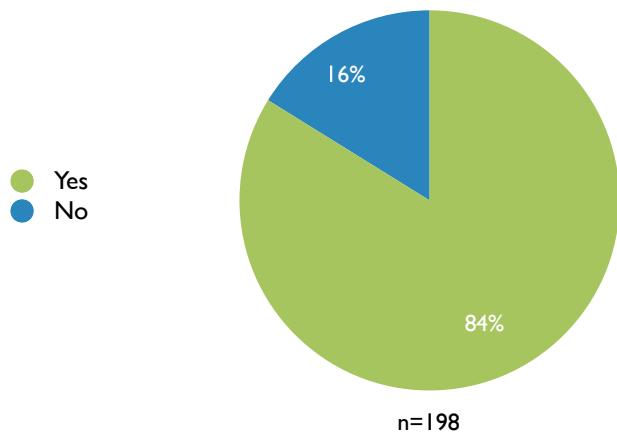
Number of Committee Meetings Per Year

- 5 or less
- 6-10
- 11-15
- 16-20
- 21-25
- 26-30
- More than 30

25%
32%
25%
8%
5%
3%
5%

n=198

Board Meeting Length

- More than 2 hours
- 2 hours
- 1 hour
- Less than one hour

1%
18%
30%
51%

n=198

Responsibilities Are Clearly Defined

- Yes
- No

16%
84%

n=198

Understanding of Expectations

- I understand expectations very well
- I somewhat understand expectations
- I do not understand expectations

2%
25%
74%

n=198
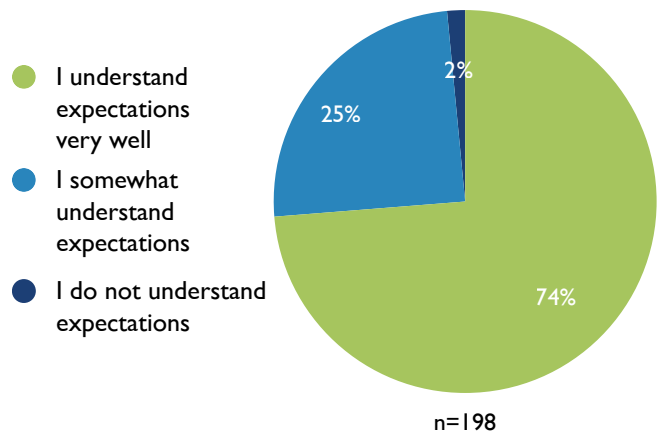
Communications and Technology

Open communication is an important part of keeping board members engaged. Frequent and accessible communication keeps them updated on the organization's activities, maintains their connection to other board members, and increases accountability.
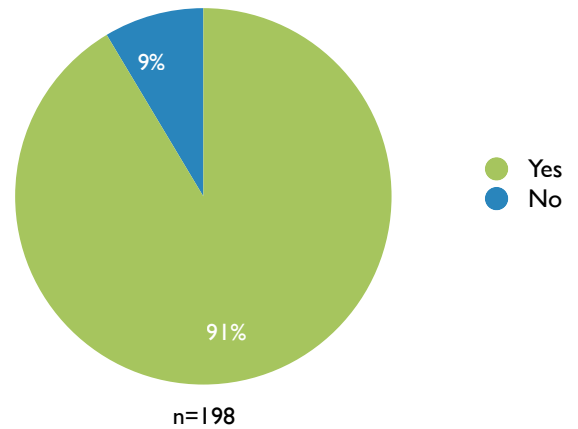
When asked, most respondents felt that meeting materials are delivered in a timely manner (87%). Most also believe meetings are focused, productive and adhere to an agenda (91%).

Another essential aspect to board communication is putting feedback mechanisms in place to engage member engagement, and solicit suggestions and ideas. But only two-thirds of board members say there are processes in place to collect, evaluate and implement board and committee suggestions (67%).
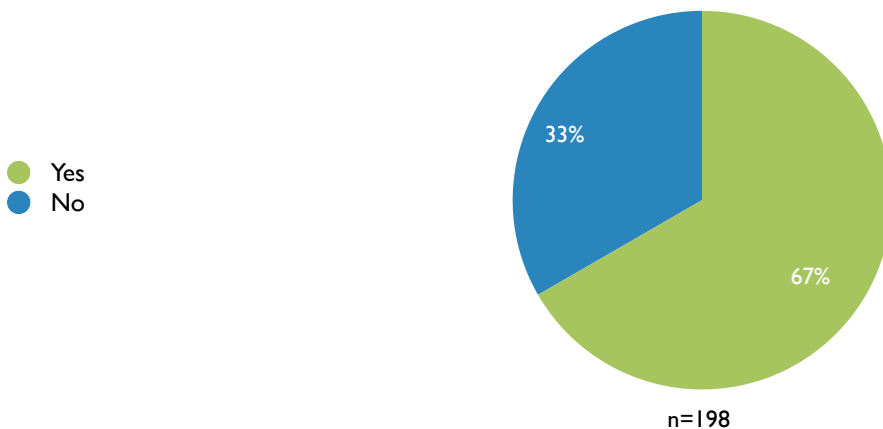
Meeting Materials Are Delivered in a Timely Manner

13%

87%

● Yes
● No

n=198
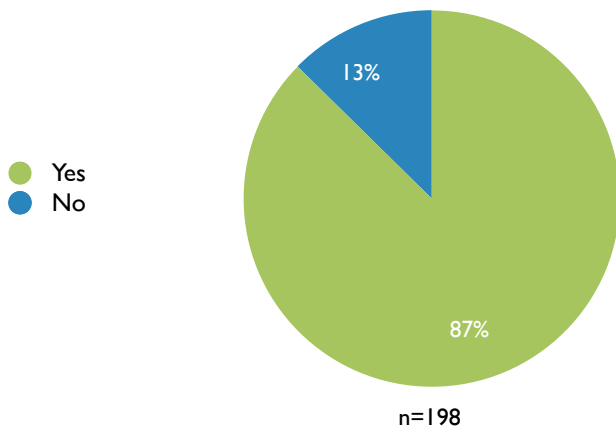
Meetings Are Focused and Productive

9%

91%

● Yes
● No

n=198

Processes Are in Place to Collect Board Suggestions

33%

67%

● Yes
● No

n=198

Nonprofit technology is a burgeoning space. Board portals and board management software have gained in popularity in recent years as a means for organizations to more effectively communicate with the board. However, most organizations we surveyed do not use this technology, with only 36% citing use of a board portal.
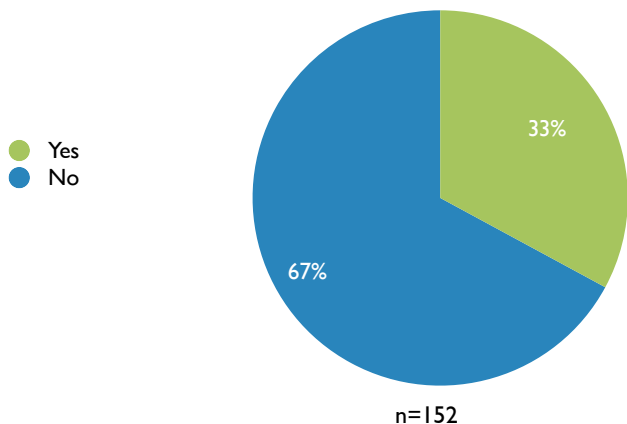
Organization Uses Board Management Software

Yes
No

36%

64%

n=198
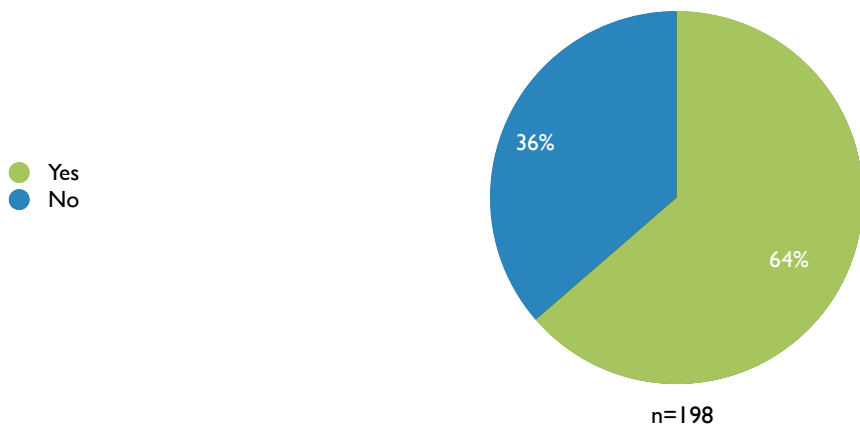
Does a Board's Size Influence Whether It Utilizes Board Management Software?

Board size does not appear to strongly correlate to whether an organization has a board portal. Thirty-three percent of small boards (0-25 members) have a board portal; only slightly less than the 48% of large boards (more than 25 members). This is despite large boards having a wider communication web and greater logistical complexities.

Organization Uses Board Management Software
0-25 board members

Yes
No

33%

67%

n=152

Organization Uses Board Management Software
25+ board members

Yes
No

52%

48%

n=46
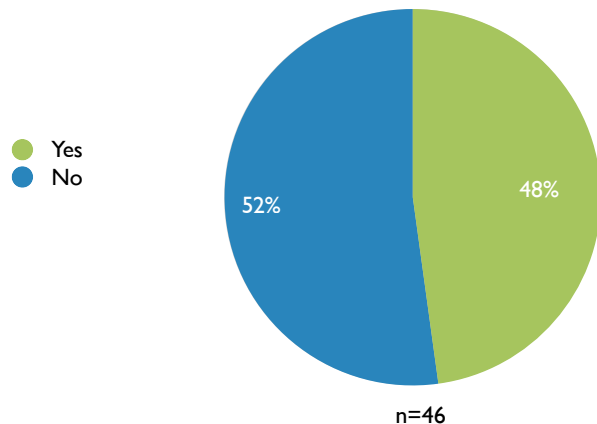
Member Perceptions

Regardless of how many meetings they are expected to attend, or their engagement level, most respondents believe the number of board meetings they're expected to attend is reasonable (86%). Most also believe the length of board meetings is reasonable (90%). This is consistent with last year's findings, demonstrating that board engagement does not appear to stem from unrealistic or taxing member expectations, as might be assumed.

However, board members' perceptions of whether membership expectations were reasonable did not influence their level of engagement. In spite of the fact that most respondents felt that the number of board meetings they were expected to attend (regardless of what that number was) was reasonable, 13% of these respondents still reported being unengaged, very unengaged or unsure.
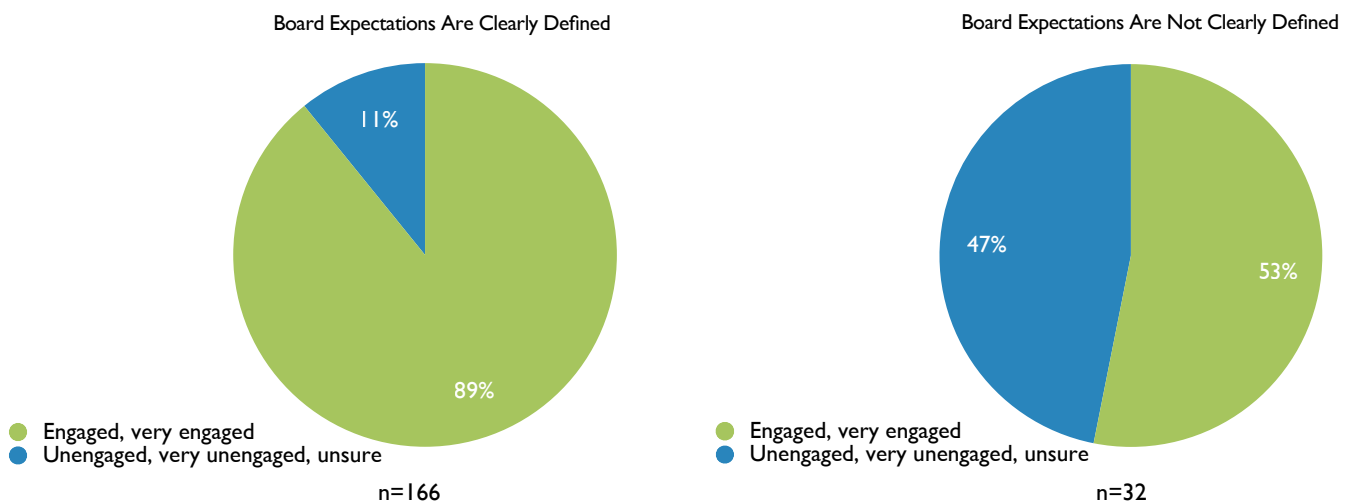
So what *does* influence board member engagement?

Section 2 | What Influences Engagement?

We asked board members how well their organizations communicated with them, relayed expectations, solicited feedback and utilized their talents, then compared these responses to members' engagement levels. We found that organizations that excel at board management have more plugged in and engaged board and committee members.
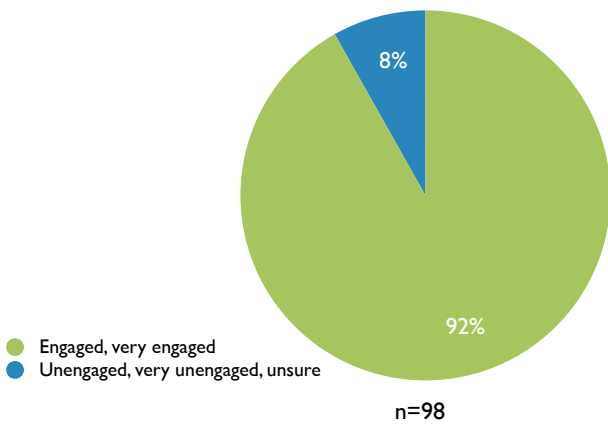
Expectations

Clearly defined expectations are critical to board engagement. Eighty-nine percent of board members who felt expectations were clearly defined felt engaged or very engaged. Only 53% of board members were engaged or very engaged when they did not feel expectations were clear.

Board Expectations Are Clearly Defined

11%

89%

● Engaged, very engaged
● Unengaged, very unengaged, unsure

n=166

Board Expectations Are Not Clearly Defined

47%

53%

● Engaged, very engaged
● Unengaged, very unengaged, unsure

n=32

Clearly posted expectations are also strongly correlated to board engagement. Only 75% of board members were engaged or very engaged when board expectations and role responsibilities were not posted for easy reference. Comparatively, when expectations were easily referenced, 92% of board members felt engaged or very engaged.

Transparency in board member expectations creates accountability, but also brings clarity to members. When the standards they will be held to are readily apparent, the path to success is clear.

Board Expectations Are Clearly Posted

8%

92%

- Engaged, very engaged
- Unengaged, very unengaged, unsure

n=98

Board Expectations Are Not Clearly Posted

25%

75%

- Engaged, very engaged
- Unengaged, very unengaged, unsure
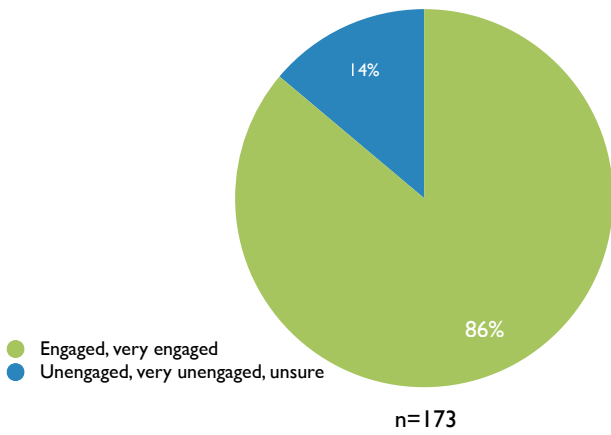
n=100
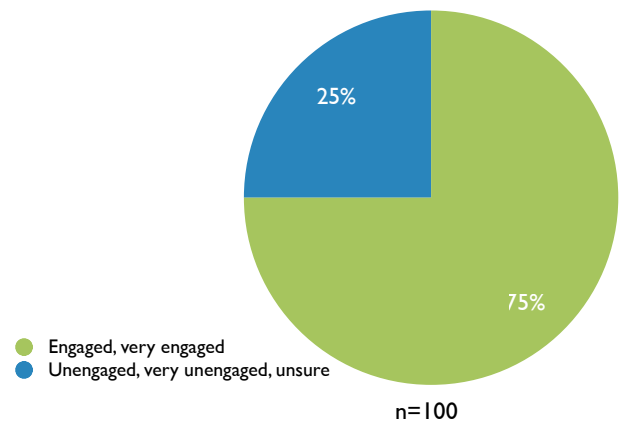
How does engagement impact satisfaction?

90% of respondents who were engaged or very engaged reported feeling satisfied or very satisfied with their contributions as a board member. Only **45%** of unengaged, very unengaged or unsure board members reported similar levels of satisfaction.

Communication

A board meeting packet often contains a hefty amount of material to digest—meeting location and related information, an annotated agenda, information to help board members make decisions, etc. Sending irrelevant information, insufficient information for upcoming board votes, or not giving members ample time to review materials can create confusion and frustration on your board.

Eighty-six percent of board members are engaged or very engaged when meeting materials are usually delivered in a timely manner. This number drops to 64% when they are not.

Meeting Materials Are Delivered

Meeting Materials Are Not Delivered

14%

86%

- Engaged, very engaged
- Unengaged, very unengaged, unsure

n=173

36%

64%

- Engaged, very engaged
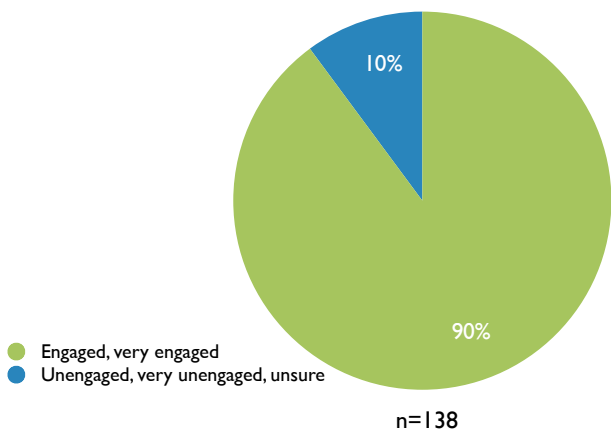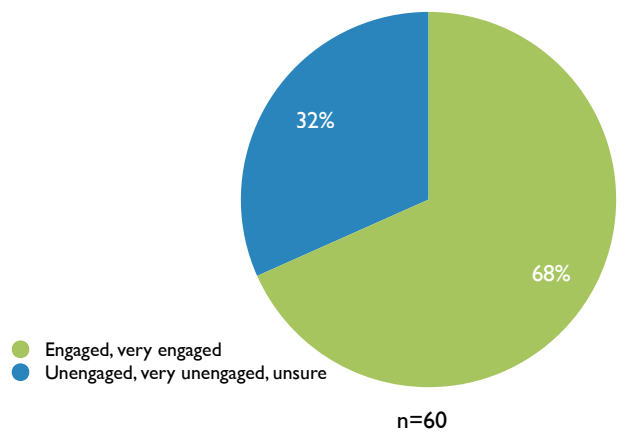- Unengaged, very unengaged, unsure

n=25
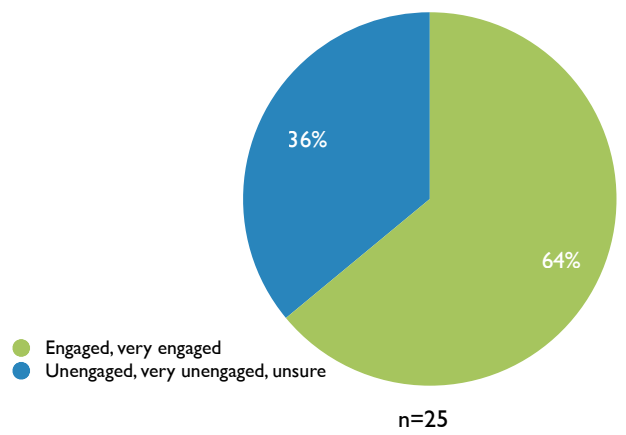
Organization of meeting materials and other files minimizes time spent on tedious, housekeeping tasks. Whether establishing a file naming and folder structure, color-coding documents or using a calendaring system, an organized board means members spend less time looking for documents, retracing responsibilities and preparing for meetings. A lack of organization can also be felt in member engagement.

Ninety percent of board members were engaged or very engaged when archived meeting minutes, organizational data and other resources are accessible to board members, logically organized and easy to use. This number drops to 68% when they are not.

Meeting Materials Are Organized

Meeting Materials Are Not Organized

10%

90%

- Engaged, very engaged
- Unengaged, very unengaged, unsure

n=138

32%

68%

- Engaged, very engaged
- Unengaged, very unengaged, unsure
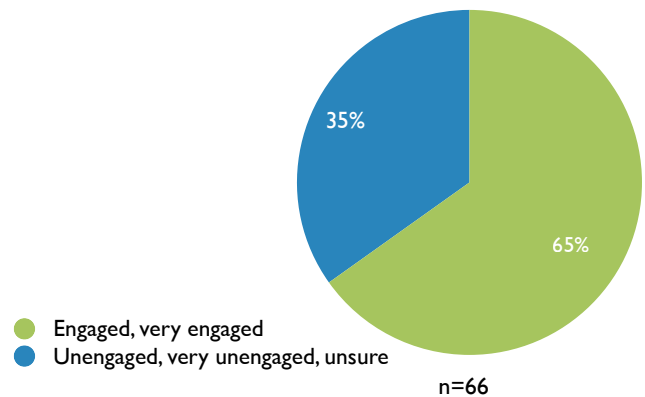
n=60

Input and Influence

Professionals often join boards to further their skills, contribute to a worthy cause and impact the strategic direction of an organization. However, many boards do not have formal processes in place for gathering and implementing board member suggestions, and it is hurting overall engagement.

When processes are in place to collect, evaluate and implement board and committee suggestions, 92% of board members report being engaged or very engaged. Without these processes in place, only 65% are engaged.

Processes Are in Place to Collect Board Suggestions

8%

92%

● Engaged, very engaged
● Unengaged, very unengaged, unsure

n=132
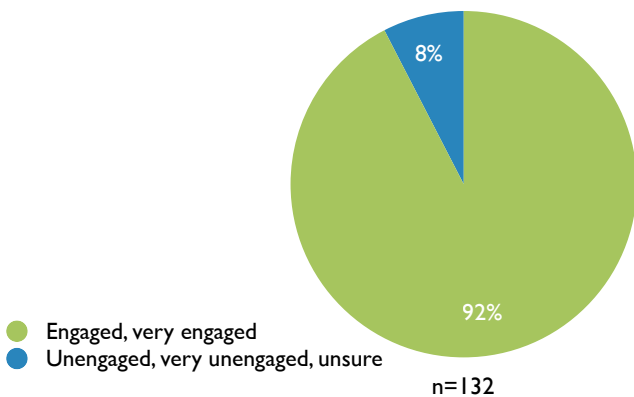
Processes Are Not in Place to Collect Board Suggestions

35%

65%

● Engaged, very engaged
● Unengaged, very unengaged, unsure

n=66

Similarly, board members want to feel that their abilities are being utilized by the organization—and not that they are merely trading their time and personal contributions for a title. This sentiment can be seen in surveyed board members' engagement.

Ninety-three percent of board members who feel their skills/talents are being used effectively by the organization reported being engaged or very engaged; a mere 49% reported engagement when they feel underutilized.

Board Member Skills Are Being Used

7%

93%

Engaged, very engaged
Unengaged, very unengaged, unsure

n=155
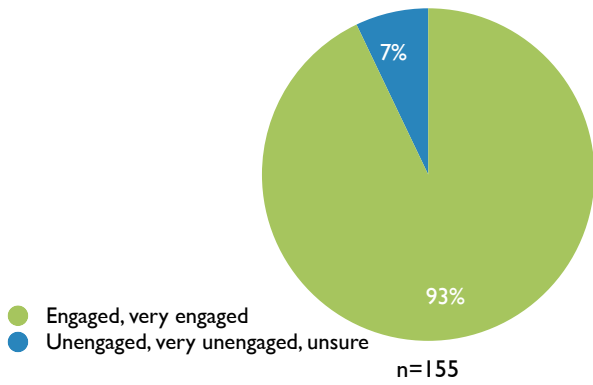
Board Member Skills Are Not Being Used

51%   49%

Engaged, very engaged
Unengaged, very unengaged, unsure

n=43
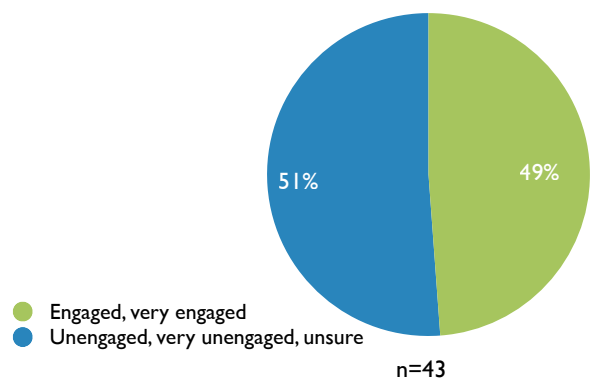
Survey results also found that when board members believe their contributions are having an impact on the organization, they are more likely to be engaged. Ninety-six percent of respondents who felt they were having a major impact reported being engaged or very engaged; 91% of respondents who felt the board's impact was moderate reported being engaged or very engaged. Conversely, 31% of board members who felt the board's impact was minor were engaged or very engaged.
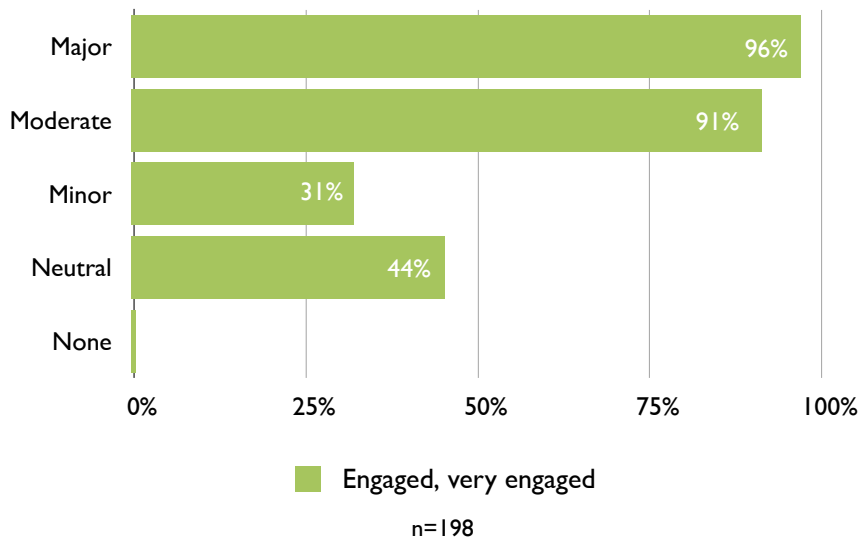

Organizational Impact

Major	96%
Moderate	91%
Minor	31%
Neutral	44%
None	

0%   25%   50%   75%   100%

Engaged, very engaged

n=198

Technology

More organizations are turning to technology to streamline communication, centralize institutional memory and evaluate performance. With board management software early in its adoption, many wonder whether technology plays a role in board member engagement, or if its gains are reserved for internal organizational efficiencies.

Overall, organizations that use a board portal cited higher satisfaction; a better understanding of expectations; more focused and productive meetings; more likely to have processes to collect and implement board member suggestions; better access to meeting minutes, organizational data and other resources; more effective use of members' skills; and greater impact on the organization's strategic direction.

What Is the Impact of a Board Portal?

- Ninety-seven percent of respondents that use a board portal reported that board expectations and role responsibilities are clearly defined. For those without a board portal, this number was 76%.

- When an organization uses a board portal, 74% of respondents agreed that board expectations and role responsibilities are posted for easy reference; otherwise, only 36% agreed.

- Eighty-five percent of respondents that use a board portal said, "I understand [board member] expectations well." For organizations that do not use a board portal, this figure drops to 67%.

- When asked, "Are the majority of meetings focused, productive and adhered to an agenda?" 99% of respondents that use a board portal agreed, compared to 87% who do not.

- Ninety-two percent of respondents that use a board portal agree that meeting materials are usually delivered in a timely manner. By comparison, 85% who do not use one felt the same.

- When asked, "Are processes in place to collect, evaluate and implement board and committee suggestions?" 76% of respondents that use a board portal agreed, compared to 61% who do not.

- Eighty-five percent of respondents that use a board portal agreed that their skills and talents are being effectively utilized by the organization, compared to 75% who do not.

Based on survey responses, the centralization, automation and transparency board management software provides makes it easier for board members to succeed, and feel satisfied and engaged in their roles.

Board members provide much-needed strategic insight, industry expertise, community advocacy and personal financial support to nonprofits. Organizations that will thrive in the years ahead are those that nurture the health of their boards. The recipe for success lies in maximizing the board's potential, leveraging the board in driving strategic direction and implementing future-proofing measures.

Board Potential

One of the primary purposes for establishing a board of directors is to solicit a variety of perspectives and insights, by bringing together a diverse group of professionals with varying backgrounds and skill sets. In an ideal organization, the mission would benefit from the board members' skills, knowledge and networks being leveraged to their full potential.

Unfortunately, one in five board members feel their skills/talents are not being used effectively by the organization (22%). Not only does this have a negative impact on member engagement, as shown in Section 2, but it also hurts the organization the board serves. The nonprofit misses out on the valuable expertise and talents of board members that could improve operations, service delivery or mission achievement. NPOs must become more adept at identifying and utilizing the talents of board members.

Strategic Impact

Thirty-nine percent of board members feel the board has a major impact on the organization's strategic direction; 43% say a moderate impact. This leaves 18% that believe the board has a minor impact, neutral or no impact. For executive directors, this statistic is concerning.

The leadership team of nonprofit organizations relies on the expertise and good judgment of the board to help direct the organization's future, drive strategy and oversee good governance. If the board is not impacting strategic direction, either they are not being asked, or they're not being heard. Implementing feedback mechanisms and checks and balances, and establishing the board's authority in organizational decision-making, are key to embedding the board in the organization's future.

Organizational Future-proofing

Many organizations define term lengths and consecutive term limits for board members, and with good reason. Even with sound board management, board members can become burnt out after many years of service. Rotating out board members also brings fresh skill sets and perspectives to the table, and helps the board achieve an appropriate level of diversity.

But to achieve this cyclical board structure, organizations must create a steady pipeline of board talent to replace exiting members. According to survey respondents, 68% of board members have recommended or personally recruited members to the board. This suggests recruitment as an engrained, and possibly reinforced, expectation of membership.

Does Engagement Influence Recruitment?

A board member's level of engagement does not appear to strongly influence whether or not he or she recruits or recommends members. Sixty-seven percent of engaged and very engaged respondents have recruited board members, compared to 73% of unengaged, very unengaged or unsure board members.

Why are unengaged members more likely to recruit? It could be symptomatic of burnout, and they are looking to fill their own seat. Or, there may not be a correlation. Either way, nonprofit and board leaders should cultivate a culture of community advocacy and recruitment in order to future-proof the board.

Improving Our Boards

It's clear that there remains room for improvement in board potential, the board's influence and organizational future-proofing. Fortunately, there are steps nonprofit and board leaders can take, starting today, to improve board management and member engagement.

How to Increase Board Member Engagement

Engaged, effective boards have the following characteristics in common:

- **Communication is bi-directional.** Create feedback loops so members feel heard, and engagement can be gauged. Conduct bi-annual self-assessments to evaluate board effectiveness and morale. Have a high-level discussion of the results with board members. Supplement self-assessments with informal check-ins, surveys and polls to solicit feedback and ideas. Ensure blind spots are eliminated and weaknesses in board management identified.

- **Expectations are clear.** Make the path to success clear by communicating board and committee expectations and keeping expectations easily accessible. Track individual contributions and progress so members know if they are meeting expectations and how they can improve. Make sure they know they are critical to the organization's success, and hold them accountable.

- **Information is accessible.** Give board members the information they need to do their jobs well. Make resources, meeting information, minutes and motions easily accessible. Encourage transparency, and eliminate administrative inefficiencies.

- **Talents are utilized.** Board members were chosen for a reason—make sure their strengths are being leveraged. Document each board member's background, education, skills and connections. Make sure they sit on the committees where they'll be most successful, and involved on the projects where they'll provide the greatest value.

Benefits of Board Management Software

Effective boards drive organizational vision, serve as community leaders and act as vehicles of change. But the complexities of board management—scheduling meetings, tracking RSVPs, creating agendas, compiling meeting materials—place a time-consuming burden on staff. And as demonstrated in Section 2, inefficiencies, disorganization and confusion dampen board member engagement.

A board portal improves board management through its ability to incorporate and integrate the features of email, online calendars and document management software into one comprehensive system. That means meeting materials and information, organizational documentation, task assignments and member records are logically organized and available 24/7 to board, committee and staff members.

A board portal can help improve board engagement, overall performance, risk mitigation, time management and board compliance through its centralized management of:

• Communication.
• Documentation.
• Meetings.
• Activities.
• Responsibilities.

A board portal can also increase board engagement through collaboration and interactive tools.

BoardMax helps nonprofit organizations:

Manage board materials, organizational information, meetings and activities.
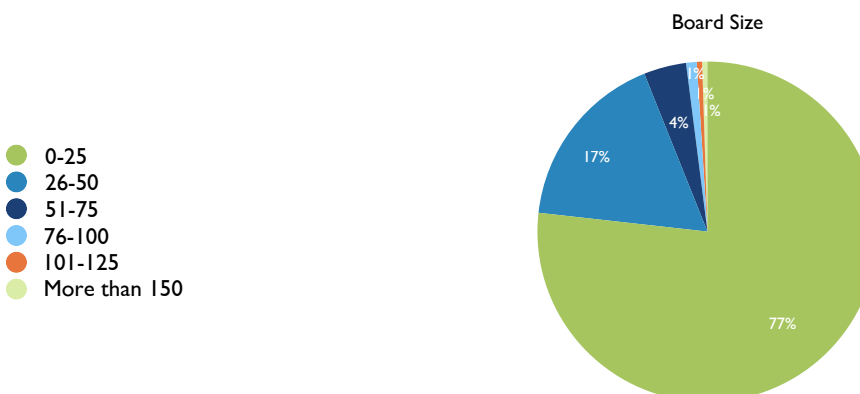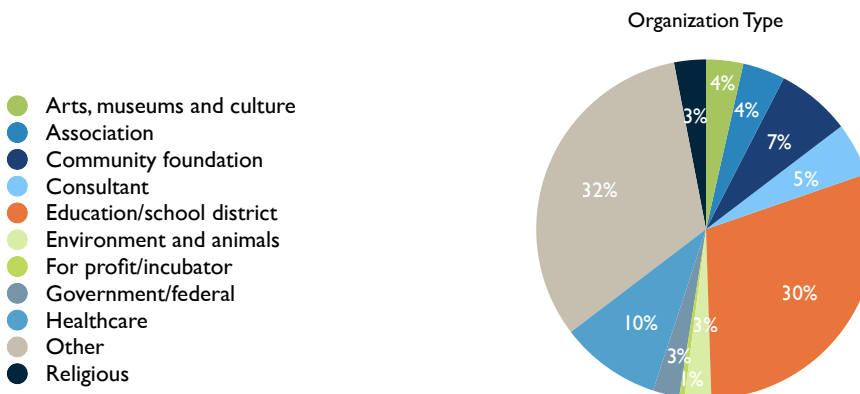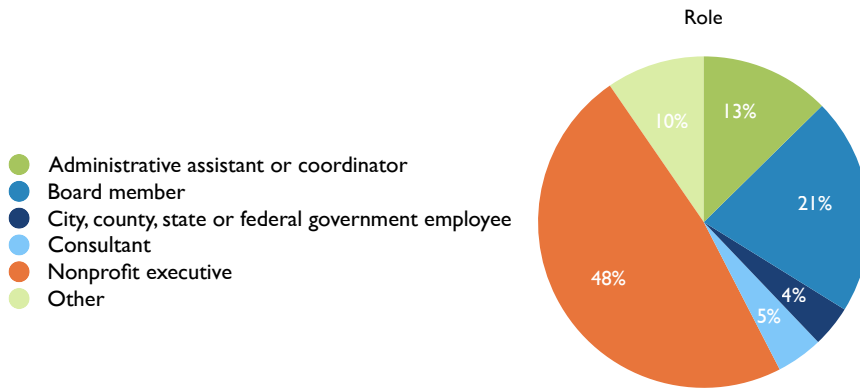
Track and measure board member engagement.

Ensure compliance, drive good governance, and mitigate risk.

> **To learn more, schedule a BoardMax demo today.**

Appendix

Respondent Demographics

Role

- Administrative assistant or coordinator
- Board member
- City, county, state or federal government employee
- Consultant
- Nonprofit executive
- Other

13%, 21%, 4%, 5%, 48%, 10%

Organization Type

- Arts, museums and culture
- Association
- Community foundation
- Consultant
- Education/school district
- Environment and animals
- For profit/incubator
- Government/federal
- Healthcare
- Other
- Religious

4%, 4%, 7%, 5%, 30%, 3%, 1%, 3%, 10%, 32%, 3%

Board Size

- 0-25
- 26-50
- 51-75
- 76-100
- 101-125
- More than 150

77%, 17%, 4%, 1%, 1%, 1%

About StreamLink Software

Founded in 2008, StreamLink Software designs, develops and markets leading-edge process management tools for nonprofit and public sector institutions.

BoardMax, its board management portal, helps organizations engage and communicate with board members. Its grant management solution, AmpliFund, automates hundreds of complex activities throughout the grant lifecycle, thus freeing up valuable resources to pursue additional funding.

Both products are high-value, affordable software solutions, designed to help nonprofit and public sector entities maintain compliance, generate revenue and build capacity.

Connect with StreamLink Software on Facebook, Twitter, LinkedIn, YouTube and our blog.