

## **Volunteer Boards: Sometimes You Get What You Pay For**

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### **ABSTRACT**

This case study takes place in the non-profit organization, Businesswomen of Southwest (BWSW) which empowers women in business. There are a significant number of performance issues with the Board of Directors of BWSW which is creating frustrations on the board and with the BWSW membership endangering the mission and the organization moving forward.

Keywords: Performance improvement, Board of Directors, women, business, non-profit



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## **CASE RATIONALE**

Non-profit organizations provide essential support and development for various parts of every community. Effective leadership is critical to the success of any organization and these non-profit organizations often rely on volunteers in key leadership roles including Board of Director membership, to provide the direction needed to meet the organization's goals. As volunteers, these Board of Director members may have little or no experience or knowledge about the leadership roles and responsibilities of a Board of Director member. In this case study, we will examine a non-profit organization with a volunteer Board of Directors to understand their current challenges and identify steps for the future.

## **INTRODUCTION**

This case focuses on performance issues found in the Board of Directors of a non-profit group supporting women in business. Businesswomen of the Southwest's (BWSW) mission is to "Engage, empower, and educate women in business." BWSW serves woman business owners and non-business owners in the Southwest United States who want to make connections within the woman business community and participate in the educational and networking events. The effectiveness of the Board of Directors is critical for creating, planning, and executing on this vision. If BWSW's Board of Director's performance issues are not addressed, it could lose its current members, board members, community support, and the opportunity to achieve its mission.

## **BOARD OF DIRECTORS**

The Board of Directors is made up of volunteers who want to help women grow their businesses. There is a limited pool of women community volunteers in the Southwest with previous Board of Director experience. Many of the Board of Director members do not have any previous board experience, non-profit experience, or business ownership experience. Typically, volunteers are asked to join the Board of Director because they are friends with someone on the board, or because they are a woman in business and believe it will help them with networking for their business. The board meets monthly to discuss and plan activities and speakers for the upcoming month's lunch and dinner meeting for members which are held at local restaurants, and any other issues that need to be addressed.

## **BWSW MEMBERS**

The BWSW membership includes local women who want to connect with other women to support and empower one another in business and in life. Some members are business owners and some are not. The members generally join for connection, networking, education, and events. The club membership has remained at around 50 members annually for the last several years although all members do not participate in all events.

## **BWSW's BUSINESS MODEL**

BWSW provides education and networking events for its membership so they can experience BWSW's mission to "Engage, empower, and educate women in business." Revenue for BWSW comes from annual membership dues, fundraising events, donations, and BWSW clothing orders. Expenses for BWSW include speaker and event fees, marketing, and 2 annual scholarships to support women business owners (one member and one non-member).

## **DESIRED PERFORMANCE**

To understand the desired and actual performance of the Board of Directors, survey and interview data were collected from four groups: Current Board of Director members, past Board of Director members, current BWSW members, and past BWSW members. Results from the current and past Board of Director members found that they would like to see more effective completion of tasks and commitments, clearer role awareness, clearer vision, mission and goals, a clear strategic plan, better communication, and better planning and use of time.

Results from the current and past membership showed that they wanted regular communication from the Board of Directors on the direction, priorities, and key steps that needed to be accomplished by the organization. They also wanted to increase the membership of BWSW and provide opportunities for mentoring and for membership speaking at events. They also wanted to broaden collaborative partnerships with banks, credit unions, and other financial institutions that support women in business to increase fundraising and provide opportunities to give more or larger scholarships to women in business.

## **ACTUAL PERFORMANCE**

The results showed that Board of Director members were not completing the tasks that need to be done to have an effective board and a positive experience for the membership. The *current and past Board of Directors* indicated the Board of Directors do not have a strategic plan and therefore there is a lack of clarity and communication among Board of Director members and with the BWSW membership on the direction, goals, and priorities of the organization. There is no documentation and a lack of clarity on the job description, role, responsibilities, and expectations of a Board of Director member. There is irregular attendance at Board of Director meetings, a lack of meeting preparedness, a lack of participation during meetings, and a lack of follow-through on tasks. Several members also said that they did not feel engaged as a Board of Director member and did not feel it was a good use of their time. *Current and past BWSW membership* described lack of clarity on the goals and priorities of the organization and a lack of communication from the Board of Directors. They also shared that speaker topics were not always relevant and that venues were not suited for educational events. They also indicated a lack of mentoring opportunities and that BWSW participation did not help to bring new clients to member's businesses.

## **PERFORMANCE GAP**

A performance gap is a difference between the desired performance and actual performance (Van Tiem et al., 2012, p. 133). The main performance gap for BWSW is that the board is not operating at the needed level of effectiveness for the success of the organization and is not communicating effectively within the Board of Directors and between the Board of Directors and the BWSW membership. A second, contributing performance gaps is that they are missing key operational processes including a strategic plan, position descriptions, and bylaws that describe what is expected of the Board of Director members.

## **IMPACT OF PERFORMANCE GAP**

BWSW is a mission-driven organization committed to supporting, educating, and networking women business owners and other women in the business community. As the leadership body of BWSW, the Board of Directors is essential to fulfilling this mission. If the performance issues are not addressed, the Board of Directors will not be able to create a clear future for BWSW, the Board of Director members may become increasingly demotivated and leave the Board of Directors, BWSW membership may drop off, and the organization may dissolve and not be able to fulfill its mission.

What should the Board of Directors do?



## TEACHING NOTES

### Questions:

1. What do you see as potential root causes for lack of board of director performance?
2. What can be done to address these root causes (potential interventions)?
3. What would be your *first* steps for addressing this situation?
4. What can you put in place so you know if performance is on track moving forward?

### Possible answers

1. What do you see as potential causes for lack of board of director performance?

A helpful structure to consider when identifying potential causes for a performance gap is Gilbert's Behavior Engineering Model (Van Tiem et al., 2012, p. 165). Gilbert identified three external areas of performance gap causes that exist in the environment and three internal areas of performance gap causes that exist within the individual. The three areas of external performance gap causes are: Information causes which include a lack of information or feedback; Physical Resource causes which include a lack of resources and tools; and external Incentive causes such as lack of consequences or rewards for desired behaviors. The three internal areas of performance gap causes are: knowledge causes which includes the lack of skill or knowledge; Capacity causes which includes the physical or mental capacity to perform the desired behaviors; and internal Motive causes which include the internal motivation and expectations for performing the desired behaviors. Using this framework of three internal and three external areas of potential causes creates a robust list of causes. Some possible internal and external causes can be seen on Table 1 (Appendix).

2. What could be done to address these root causes (possible interventions)?

Interventions are possible solutions to the internal and external causes of a performance gap. A variety of interventions can be identified to address each of the BSW performance gap causes identified in each of Gilbert's cause areas. There might be one or more interventions for each cause, and there may be one intervention that addressed multiple causes. For example, in the previously identified causes, a lack of a mission, vision, and strategic plan (Information cause) could be addressed with a series of facilitated meetings with the Board of Directors to identify and agree on a mission, vision, and strategic plan. An intervention of creating Board of Director Bylaws could partially or completely impact several causes such as no documentation of board roles, responsibilities, and processes (Physical Resources cause), no structure for meetings (Physical Resources cause), lack of understanding of board roles and responsibilities (Knowledge cause), and no board or business experience (Capacity cause).

3. What would be your first steps for addressing this situation? Why?  
Look at the interventions you identified. It is unlikely you can do them all at once. What would be your first steps and why? Consider interventions that have the biggest impact

on the performance gap causes or the interventions that must be done prior to other interventions. (i.e. a strategic plan must be created before it can be communicated to the BWSW membership.)

4. What can you put in place so you know if performance is on track moving forward?

Putting interventions in place and addressing performance gaps once is not enough. You need to have a plan to regularly revisit and assess the success of the interventions, and performance of the Board of Directors. Interventions like strategic plans, bylaws, job descriptions, job aids, and communication strategies can be scheduled to be revisited and updated as necessary. Overall performance can be assessed during an annual off-site meeting of the Board of Directors, by surveying the Board of Directors and membership, and by asking for feedback from outside partners.



## APPENDIX

**Table 1***Possible Internal and External Causes of the Board of Director Performance Gap*

External		Internal	
Gilbert's External Cause Areas	Possible Causes for BSW Board	Gilbert's Internal Cause Areas	Possible Causes for BSW Board
Information	<ul style="list-style-type: none"> <li>• Lack of mission, vision, strategic plan</li> <li>• Poor communication within board and between board and BSW membership</li> </ul>	Knowledge	<ul style="list-style-type: none"> <li>• Lack of understanding of board roles and responsibilities</li> <li>• Lack of understanding of women business owner experience</li> </ul>
Physical Resources	<ul style="list-style-type: none"> <li>• No documentation of board roles, responsibilities, processes</li> <li>• No structure for meetings</li> </ul>	Capacity	<ul style="list-style-type: none"> <li>• No board or business experience</li> <li>• Not enough time to participate</li> </ul>
Incentives	<ul style="list-style-type: none"> <li>• Board members not held accountable for task completion</li> <li>• No mentoring or support for development</li> </ul>	Motives	<ul style="list-style-type: none"> <li>• No connection between actions as board member and impact on the board or BSW membership</li> <li>• No prestige or recognition of contributions and accomplishments</li> </ul>

**REFERENCES**

Van Tiem, D., Moseley, J. L., & Dessinger, J. C. (2012). *Fundamentals of performance improvement optimizing results through people, process, and organizations*. San Francisco: Jossey-Bass.

