

**Getting the right people on Board**

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# Introduction

As a general rule it is inappropriate for staff, including a chief executive or manager to serve on the board of the organisation that employs them. This ensures there is no role confusion, each can focus on their special contribution to the organisation and wear just one hat, and accountability is not compromised.

In smaller organisations with few or no employed staff, including both small not for-profit organisations and commercial ‘start-ups’, board members may need to fill both the governing role and all or part of the operational functions.

This places a considerable burden on board members but it is the reality of governing a small organisation. Founding directors often find themselves not only investing their own money in the business but also filling both operational and directorial roles. As organisations grow and are able to employ specialist staff, board members can confine their involvement to governing. Where board members do need to assist with operational tasks, they should appreciate that their role is as an operational volunteer, not as a board member offering assistance.

# Trustee competencies

Strategic thinking skills

Highest on the list of directorship skills is the ability to adopt a strategic perspective particularly an ability to look beyond operational issues and work towards a vision for the future.

An understanding of organisational structures and systems

Directors should have a basic understanding of how organisations should be structured and operated in order to deliver appropriate results.

Financial management

Every director should be comfortable with traditional financial statements, understand the current financial position, areas of risk and future financial requirements.

Knowledge of general legal issues

An understanding of the relevant legislation and regulatory environment within which the organisation operates.

Knowledge of the business of the organisation

Every director must accept a personal responsibility to remain up-to-date in their knowledge about the sport or the sector so this can be applied in the board’s strategic decision making and performance monitoring.

Commitment to the organisation’s Mission and Values

Because of its stewardship role all board members must demonstrate tangible commitment to the organisation’s mission and values.

A commitment to governing

Directors should understand the difference between governance and management.

# Personal attributes

Ethical standards

Highest on the list of personal attributes must be those associated with a commitment to personal integrity and corporate governance ethics.

Independence

The board must reflect a diversity of opinions and experience. Collective judgements are enhanced by sound independent thinking brought together around a shared purpose.

Interpersonal skills

The ability to listen to the viewpoints of others, to question effectively and to challenge constructively are all essential boardroom skills.

Leadership skills

Willing to take leadership roles as necessary, in committee work, representing the organisation in public, leading specific discussions or project work.

Ability to understand and relate to stakeholders

Board members have the ability to understand and respond to the various positions of stakeholders in a sensitive, reasoned way.

Ability to recognise competing interests

Board issues and processes are viewed through the lens of principle rather than the subjectivity of personal impact or implication. Real or potential clash of interests should be acknowledged and appropriate steps taken to maintain ethical standards.

Commitment

Preparedness to commit the necessary time both in an out of the board room.

For a template Commitment letter for new trustees to sign see [Commitment letter](https://sportnz.org.nz/assets/Uploads/attachments/managing-sport/strong-organisations/Commitment-letter.doc)

# Board of Trustees Needs Matrix

**Instructions for using this template**

This ‘needs matrix’ has been designed to assist in board (succession) planning to assess the overall strengths and weaknesses of the board’s current membership. Because of the nature of the data collected, however, it may also be used as a starting point for a wider evaluation of board effectiveness.

Key steps:

1. The board should agree the desired skills, attributes and experience needed for the effective governance of the organisation. Appropriate weightings (if any) should also be agreed.

2. Each director should then complete the matrix, assessing themselves and every other board member against each of the desired characteristics, using the five-point scale described below.

3. Ideally, someone who is independent of the board (for example, a governance consultant) should receive and collate the responses, to produce two separate reports:

(a) a board composite report that shows total scores for each (unnamed) board member and the total score for the board against each of the desired characteristics given the agreed weightings. This is for discussion by the board as a whole; and

(b) a report for each individual that reveals their own self-assessment compared to the average rating given by their colleagues. If agreed in advance it is worthwhile revealing individual scores to the chair for discussion with those individuals.

4. The board should discuss the implications of this analysis of the current board composition in the light of the challenges facing the board. It should develop a strategy for strengthening the board as seems indicated.

|  |  |
| --- | --- |
| Scale | Description |
| 5 | Exceptional competence  Possesses exceptionally well-developed and relevant skills and abilities, as well as the appropriate personal qualities in relation to this criterion. Demonstrates outstanding performance, perhaps supported by extensive experience (10 years +) and relevant formal qualifications. |
| 4 | Fully Competent  Possesses well-developed and relevant skills and abilities. Performs consistently well against this criterion, perhaps supported by a high level of experience (5 years +) and a relevant qualification. |
| 3 | Mostly competent  Possesses relevant skills, abilities and personal qualities sufficient to demonstrate a generally adequate level of competence. Further experience and/or professional development would boost performance. |
| 2 | Basic competence only Demonstrates some skills, abilities and personal qualities relevant to the criterion. Professional development required to become competent. |
| 1 | Minimal/no competence  Unable to demonstrate adequate skills, abilities and personal qualities for this criterion. |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| DESIRED CHARACTERISTICS | Weighting | Self | Name 2 | Name 3 | Name 4 | Name 5 | Name 6 | Name 7 | Unweighted Total | TOTAL |
| SKILLS |  |  |  |  |  |  |  |  |  |  |
| Ability to think strategically | X 2.0 |  |  |  |  |  |  |  |  |  |
| Analytical, critical reasoning and problem solving skills |  |  |  |  |  |  |  |  |  |  |
| Strong financial literacy and analytical ability | X 1.5 |  |  |  |  |  |  |  |  |  |
| Oral communication skills | X 1.5 |  |  |  |  |  |  |  |  |  |
| Ability to understand and relate to stakeholders |  |  |  |  |  |  |  |  |  |  |
| ATTRIBUTES |  |  |  |  |  |  |  |  |  |  |
| Ethical, open, honest, trustworthy, high levels of integrity |  |  |  |  |  |  |  |  |  |  |
| Independence and inquisitiveness | X 1.5 |  |  |  |  |  |  |  |  |  |
| Ability to establish quality relationships |  |  |  |  |  |  |  |  |  |  |
| Ability to work as a team player | X 2.0 |  |  |  |  |  |  |  |  |  |
| Preparedness to work hard and commit time and effort to do the job | X 1.5 |  |  |  |  |  |  |  |  |  |
| Has an outcomes focus |  |  |  |  |  |  |  |  |  |  |
| Strong stewardship orientation/consumer focus |  |  |  |  |  |  |  |  |  |  |
| EXPERIENCE |  |  |  |  |  |  |  |  |  |  |
| Corporate governance experience |  |  |  |  |  |  |  |  |  |  |
| Understanding of and experience in the cause | X 1.5 |  |  |  |  |  |  |  |  |  |
| Community/stakeholder influence and connections |  |  |  |  |  |  |  |  |  |  |
| Broad business experience | X 1.5 |  |  |  |  |  |  |  |  |  |
| MEETING PERFORMANCE |  |  |  |  |  |  |  |  |  |  |
| Well prepared for meetings |  |  |  |  |  |  |  |  |  |  |
| Adds value to board dialogue | X 2.0 |  |  |  |  |  |  |  |  |  |
| Able to focus at the governance level  of issues |  |  |  |  |  |  |  |  |  |  |
| Able to disagree without being disagreeable |  |  |  |  |  |  |  |  |  |  |
| TOTAL |  |  |  |  |  |  |  |  |  |  |

Sources: [Nine steps to effective Governance](https://www.google.co.nz/url?sa=t&rct=j&q=&esrc=s&source=web&cd=15&cad=rja&uact=8&ved=2ahUKEwjwsKDxz-LhAhUTbisKHaZUAG4QFjAOegQICRAC&url=https%3A%2F%2Fsportnz.org.nz%2Fassets%2FUploads%2Fattachments%2Fmanaging-sport%2Fstrong-organisations%2FNine-Steps-to-Effective-Governance-Building-High-Performing-Organisations.pdf&usg=AOvVaw0hF4TssNgcvsW8DtEbI4jr) and information obtained from Southland Community Law Centre (2019)

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