



Community Futures Board Recruitment Strategies

Our Boards ... Our Future

March 2015



Recruiting: A Year-Round Activity

Effective recruiting takes time and effort. It must be an ongoing activity. Quality recruitment planning and activities are key to building a healthy CF organization.

Community Futures Board Recruitment Strategies

Effective boards continually recruit and develop Director leaders. Succession planning and recruitment of new Directors is an ongoing activity of the board.

Background:

Changes to the Canada Not-for-Profit Corporations Act require term limits be defined in the not-for-profit's Articles (Bylaws). Governments contracting with not-for-profit organizations are starting to require these service delivery organizations to include maximum term limits within their Articles as well. The revitalization of the Community Futures Program (CFP) terms and conditions is a recent example of government requiring governance change.

The topic of term limits is one that creates discussion at the organizational level. Governance experts also have opinion on the matter. The following is a summary of their perspective on the advantages and disadvantages of limits to board terms:

Advantages:

- ⇒ Term limits bring diversity to the board;
- ⇒ Organizations with term limits may be more attractive to active and qualified members of the community who are not interested or able to commit to an indefinite time period of service;
- ⇒ Limits the potential for a concentration of power within a small group of the board;
- ⇒ Tends to invigorate the board through new passions and perspectives being brought to the table;
- ⇒ Reduces complacency;
- ⇒ Makes it easier to remove board members that are ineffective or inactive in their role;
- ⇒ Outgoing Directors return to their community as informed supporters and promoters of the organizations.

Disadvantages:

- ⇒ The organization will be required to spend more time and resources in the recruitment and development of new board members;
- ⇒ The organization may lose some of its strongest supporters and the cohesiveness of a board team that has worked together for some time;
- ⇒ Potential loss of corporate memory.

Although experts on the subject have different opinions of the value of board term limits, they appear to now agree that board term limits offer more advantage to the not-for-profit organization than disadvantage. They indicate the disadvantages can easily be overcome with policies and practices that:

- ⇒ Have term limits, but with staggering of term end dates;
- ⇒ Have an ongoing process of board succession planning; and
- ⇒ A clear and constant practice of board recruitment.

Purpose:

This document has been prepared at the direction of the Board of Community Futures Network of Alberta. It has been prepared internally with the assistance of:

- ⇒ Governance expertise
- ⇒ Direct input from several Alberta Community Futures organizations

The purpose of this document is to offer Alberta CFs process recommendations for the recruitment, orientation and succession planning required to ensure that our volunteer boards continue to be strong, vibrant, and representative of their stakeholder communities. These recommendations are presented in the form of Twelve Recruitment and Succession Planning Strategies.

Twelve Steps to Recruitment and Succession Planning

STEP 1: Revisit Articles (Bylaws)

Key considerations during the initial review include:

- ⇒ The ability to form and define the role of a Board Development Standing Committee



Recruiting for Success

Before the CF recruits new board members, it must ensure the organization has a strong foundation in place to attract and support the most interesting, inspiring, engaged individuals to the board.

- ⇒ Ensuring corporate documents include the definition of board term limits, i.e.:
 - 3-year terms with a maximum of three consecutive 3-year terms to be served by any one Director
 - Definition of minimum period (1-year) prior to being eligible to be appointed to another 3-year term

Other considerations during the initial or future bylaw reviews:

- ⇒ Board Executive Committee term limitations (i.e. 2 years maximum serving in the role as Chair)
- ⇒ Inclusion of a definition for a Past Chair role (helps with succession at this leadership level)
- ⇒ Board size and composition
- ⇒ Inclusion of a Member-at-Large position of board member

STEP 2: Formalize the Board Development Standing Committee

Create the Standing Committee's Terms of Reference. Key elements to be contained within the Terms of Reference may include:

- ⇒ The Standing Committee operates year round and is required to report to the Board a minimum of two times per year
- ⇒ Comprised of Board members in good standing only
- ⇒ Definition of Purpose:
 - Profiling and maintaining profile of current board (using matrix tool and profiling areas of expertise, geographic and/or stakeholder representation, age range, gender, board term expiry date)
 - Ensuring the CF's local marketing activities also profile volunteer opportunities available to community leaders through service on the CF's boards and/or its committees
 - The development and maintenance of Board Director job descriptions including minimum requirements

STEP 3: Preparation for Active Board Director Recruitment

Create Board Recruitment package including:

- ⇒ Articles (Bylaws) of the Corporation

- ⇒ Current Strategic Plan
- ⇒ Most recent Annual Report
- ⇒ Current Audited Financial report
- ⇒ Director Job Description
- ⇒ Defining the Board as Governing rather than Operating

STEP 4: Develop a Profile of the Current Board

See the attached sample of a profile matrix on page 10 of this document. This matrix will help to identify recruiting priorities.

STEP 5: Develop an Initial List of Prospective Board Directors

This Board Development Standing Committee will be tasked with creating a list of prospective Directors. Potential sources may include:

- ⇒ Past CF loan or SE clients;
- ⇒ Active and engaged members of the region's business community;
- ⇒ Active and informed leaders within specific geographic or stakeholder communities;
- ⇒ Retiring members of other boards;
- ⇒ Experienced board members from other affiliate organizations (i.e. economic development boards, the local College board or Chamber of Commerce);
- ⇒ Through recommendations from Chairs of other boards in the region;
- ⇒ Members of the professional community (accountants, lawyers, bankers, economic development officers);
- ⇒ Members of the general business and corporate community;
- ⇒ Even critics of your organization.

This list will identify potential Directors. During this stage, the Committee will want to cast a wide net—attempt to have two to three times more names included on this potential list than there are Director Positions to be filled. After identifying this initial Director prospect list, the Standing Committee will complete a more in-depth review, to rank the prospects and to ensure that each prospect has the requisite experience and, where possible, meets the profile required.

STEP 6: First Round of Personal Contact with Top Prospects

- ⇒ Printed materials to be provided to each prospect prior to initial meeting;
- ⇒ Direct call or visit completed by a member of the Standing Committee;
- ⇒ Invitation extended to all prospects to attend an in-person CF Board Member Orientation Meeting.

STEP 7: Hold Orientation Meeting – All Top Prospects Invited

At this Orientation Meeting, the Standing Committee (on behalf of the Board) will provide an Orientation package including:

- ⇒ Overview of Mission, Vision and Goals;
- ⇒ Review of roles & responsibilities of Directors (governance vs. operational board);
- ⇒ Review of Director job description;
- ⇒ Summary of programs and services;
- ⇒ Opportunity for question and answer period;
- ⇒ Provide Additional information if requested;
- ⇒ Discuss next steps.

STEP 8: Selection and Appointment of New Members to the Board

- ⇒ Standing Committee develops recommendations for review, consideration and approval by the Board of Directors;
- ⇒ Board approval for new Board member;
- ⇒ New appointees sign all required documentation including:
 - Confidentiality Agreements
 - Conflict of Interest Guidelines
- ⇒ New Board members receive a more in-depth Orientation package including copies of all Policies, Minutes of recent meetings (generally past-year);
- ⇒ New Board members introduction to current Board by Board Chair and Chair of the Board Development Standing Committee;
- ⇒ Each new Director is assigned a Director mentor.

STEP 9: Provide Training to Board and New Directors

Training priorities include:

- ⇒ Participation in a business and regional familiarization tour with existing Board members
- ⇒ CF Leadership Institute Board Development training:
 - Module # 1: CF Orientation (Manual or Video)
 - Module # 3: Legal Responsibilities for Boards
 - Module # 8: Board Leadership
 - Module # 4: Financial Management
 - Module # 5: Board Development and Evaluation

For More Information on board training, click here:

<http://cfleadershipinstitute.ca/bd/start-cf.php>

STEP 10: Succession Planning Strategies

The following are some suggested Board Succession Plan strategies:

- ⇒ Effective Delegation – create and effectively empower Board Committees through Terms of Reference;
- ⇒ Ensure each Board member actively participates on a minimum of one Board Committee;
- ⇒ Board Development Standing Committee to work with the Board’s Executive Committee to ensure all Directors have the opportunity to participate in leadership positions;
- ⇒ All Board members participate in **CF Leadership Institute Module # 12**
 - *So You Want To Be A CF Chair – Chairing With Confidence.*

STEP 11: Exit Interviews for Outgoing Directors

Boards wanting to continue to grow in effectiveness and impact regularly assess themselves. One additional board assessment should include the practice of outgoing Director exit interviews. It is the role of the current Board Chair to complete these interviews, however, support from the Lead Director on the Board Development Standing Committee strengthens the process.

Here are some examples of the questions that should be asked as part of this Exit Interview process:

- ⇒ From your experience as an outgoing Director, how well did the Board do in achieving its Mission for the organization?
- ⇒ From your perspective, how well did we do in leveraging your experiences and abilities?
- ⇒ How did you feel you contributed to the Board's work? To the organization as a whole?
- ⇒ From your perspective, do you have any disappointments in relation to your Director role?
- ⇒ Do you believe you received all the board orientation and training you required to complete your role on the board effectively?
- ⇒ What recommendations would you like to leave for the organization or for future boards?

STEP 12: Develop, Support and Leverage Board Alumni Councils

The organization does not want to lose its strongest and most experienced supporters. Boards are therefore encouraged to create, support and effectively engage outgoing Directors. This can be accomplished through the creation of a Board Alumni Council. Members of this Council receive:

- ⇒ Invitations to annual events operated by the CF organization;
- ⇒ Special reports and communications designed to keep these valued former Directors aware of new directions, achievements and impacts as a result of the activities of the CF organization;
- ⇒ Invitations to participate through special assignments including leading a task force, advisory council services and CF program ambassadors etc...

Suggested Implementation Time Frame

STEP	STRATEGY	TIME FRAME
1	Annually revisit current Articles (Bylaws): <ul style="list-style-type: none"> • Form Bylaw Review Committee • Committee Recommendations for Bylaw Revisions • Special Meeting to Consider/Approve Amendments • Formal Registration of Amendments 	March 31st
2	Formalize and/or renew Terms of Reference for the Board Development Standing Committee	March 31st
3	Committee preparation of Recruitment Package	May 15th
4	Develop and approve current Board Profile	June 30th
5	Develop initial prospects list	June 30th
6	First round of personal contact with prospective board members	Sept 15th
7	Conduct preliminary orientation meeting with prospects	October 31st
8	Selection and appointment of new Directors	November 30 th
9	Coordinate for the provision of Board Development training (Annual Budget = \$6,000.00)	Ongoing
10	Fully Implement Succession Planning Strategies (Budget = \$1,000.00)	March 31 st
Repeat this process every year		

Sample Matrix Template from Step 4: Develop a Profile of the Current Board

Name	Pincher Creek	Waterton	Claresholm	Cardston	Fort McLeod	Male	Female	Youth – 18-30	Aboriginal	Accountant	Agriculture	Rural Economic	Self Employed	Academic	Banking/Finance	Environment/Health/NEP
Joe Smith	-	-	X	-	-	X	-	X	-	-	-	-	-	-	X	X