

How COVID affected nonprofit board practices

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The view from southern New England

In mid-March, the governors of Rhode Island, Massachusetts and Connecticut declared state emergencies in response to the COVID pandemic. Nearly every institution and business in the region closed or dramatically altered how they conducted their contacts among people.

Nonprofit boards stopped meeting in person.

As consultants to nonprofit boards of directors and as board members ourselves, we lived this change. Many of our clients suspended projects for a few weeks as they dealt with the immediate need to revamp in-person programs and activities.

Some boards switched immediately to video conferencing platforms, while others took longer to gear up to the new reality. As board meetings resumed virtually, we started noticing changes in the engagement of the boards with whom we were working (like better attendance). We wondered if these changes were widespread.

Survey participants

The analyses provided in this report are based on self-reports via an online survey completed by 119 leaders at dozens of nonprofits in Massachusetts, Connecticut and Rhode Island in July 2020. Half of the respondents had budgets below \$1 million, with the mode shared between organizations with budgets between \$100,000-\$500,000 and \$1-\$5 million. The survey was sent to our clients and recipients of BWB's periodic communications.

¹ This survey is a joint effort of BWB Solutions www.bwbsolutions.com and Cause & Effect Inc. www.ceffect.com. We are experienced governance consultants committed to understanding and sharing management and governance practices that enhance the ability of nonprofits to achieve their missions.

Our professional colleagues released a number of surveys on how the virus affected organizational viability. But we weren't seeing anything about how the pandemic was affecting board practices.

Curious, in July we sent an online survey to our southern New England clients and enews subscribers to better understand how this pandemic was affecting board practices.

Here's what we learned.

For most, the boards **continued their regular meeting schedules** by switching from in person meetings to video conferencing (with Zoom the provider of choice). Video conferencing was a new practice as very few of the organizations we heard from had been meeting virtually prior to the pandemic.

CEOs and the staff leadership team largely led their organization's response to the crisis. Only a third of responding boards spent 50% or more of their regular board meeting time focused on the workforce, program or financial impacts of the pandemic. However, **committees such as finance and executive met frequently**, with some meeting weekly between March and May.

Almost a quarter of respondents said the pandemic had **changed the board's relationship with their CEO.** For most, the shutdown necessitated **better and more frequent communications.** For a very few, the stress of COVID made existing problems worse.

Board work on strategic planning and fundraising events suffered most. For strategic planning, some organizations postponed the start of new plans. Others delayed completing plans they had been working on. Some who had recently adopted new plans postponed implementation to deal with the pandemic's impact but noted that the direction indicated in the new plan was still valid.

With large gatherings shut down, **in-person fundraising events were cancelled.** Some organizations reported they are still figuring out their next steps while others were able to reimagine and stage virtual events now or will in the Fall. **Capital campaign planning also paused** and a few organizations reported they were working on **reconfiguring large donor cultivation.**

We also asked how board meetings had changed. One-third to one-half of board members and CEOs noted at least some improvement in:

- The importance of **board discussions** (the area of most reported gain)
- **Understanding of organization finances and operations**
- **Board member giving and getting**
- **Attendance**
- **Teamwork**

We wondered how much the use of video conferencing for board meetings would stick. **Almost half** of the respondents said they would engage either a **hybrid meeting format** (incorporating video conferencing into regular in person meetings) or would **switch between all virtual and in person** meetings. Twenty percent planned to stay all virtual.

Finally, we wondered how organizations were viewing the next 12 to 18 months. While almost **equal numbers** reported the **likelihood of reducing or expanding programs or operations, board members tended slightly more to reductions while CEOs leaned slightly toward expansion**. Very few expected to go out of business or merge with another nonprofit.

Conclusions

Our survey responses aligned with past research which showed that nonprofit boards become more engaged during a crisis.²

Five months into the pandemic, responding boards are largely adapting well to the new online meeting environment. Half of respondents reported no change in meeting frequency, attendance, meeting preparation, meeting participation or board giving or getting. Yet large minorities, up to a third of respondents, did report a little to a lot of improvement in these areas.

Under the pressure of COVID response, or possibly thanks to the nature of online meetings, almost half of responding boards have seen improvements in their understanding of organizational finances and operations, teamwork, disciplined use of time and elevated importance of board discussions. It's possible that some of these gains came at the expense of the board's attention to strategic planning and fundraising which were the board and board member activities most likely to be paused.

COVID restrictions and related challenges in many dimensions will affect us all for the balance of the year. We'll continue to follow how the boards we serve professionally and those we serve on as volunteers adapt and change.

Our closing recommendation: *Take time to reflect, question all assumptions and start planning for the next disruption*

Like the fish who never mentions the water when asked to describe its environment, the pandemic exposed the danger in rarely questioning our core operating assumptions.

As organization development and governance consultants, we believe and promote the power of reflection, strategic thinking and intentional action. Within the realm of governance, we recommend that boards and CEOs/Executive Directors set aside time for two separate dialogues, one focused on board practices and the other on core organizational assumptions.

Under the heading of board practices, here are a few questions to get you started:

1. What would define excellence for your board? *Given that as the benchmark*
2. What worked better in the new environment? Why? What would you need to do to hold onto that practice?
3. What didn't work that you'd like to change? How?

² "Is governing board behavior cyclical?" Miriam Wood, Nonprofit Management and Leadership. Winter 1992. And "Here we go again, the cyclical nature of board behavior." Julia Claussen. Nonprofit Quarterly. May 2018.

4. What else would improve the way your board functions?

In the area of challenging core organization assumptions, you'll find much written in the past and present about *scenario planning*. But few of those processes envisioned confronting the unprecedented, widespread disruption in all of our lives, both personal and organizational.

So we encourage your organization to engage in brutally honest questioning through *disruption planning*.

At the center of disruption planning is the skill and courage to honestly challenge everything a nonprofit takes for granted about the way it operates. With open thinking, you'll likely find opportunities to move forward from disruption that you hadn't considered before.

You might consider questions like these if you haven't already discussed them:

- What are the three or four most critical assumptions on which our programs, finances and operations rely?
- If those critical assumptions did not prove true, what would cause the biggest disruptions to our current way of being?
- What can we put in place now to avoid, mitigate or adapt to potential disruptions?

Common sense and prudence are generally recognized standards for a board to fulfill its basic fiduciary duty. But before the next disruption shakes your reality, it's time for bold questioning and thinking, what has been labeled *generative conversation*³.

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³ *Governance as Leadership*. Taylor, Chait, and Ryan. 2004.