



# BUILDING HIGH PERFORMANCE BOARDS

GOVERNANCE ESSENTIALS

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## Board Composition - what makes a balanced board, why is that important and what happens when that goes wrong?

- Get to grips with what skills and attributes your board needs. Choose board members that genuinely add value and bring necessary skills.
- Avoid choosing board members because you feel obliged due to an existing connection of some kind. It's harder holding people accountable in this situation.
- Financial and legal acumen are typically helpful, but do not overlook the importance of communication/public relations skills, knowledge of your operating sector, experience in governance generally, and emotional intelligence.
- Consider diversity in terms of age, experience, gender, cultural background, sector background. New perspectives can be invaluable so seek "diversity of thought".



## Board Performance - how is board performance best measured?

- Be clear on what you want to evaluate and why. Look at your purposes. Think about your key relationships. Prioritise outcomes (how you make a difference) over outputs (what you produce).
- Also consider how you operate as a board. Is discussion respectful and constructive, or is the board suffering from 'groupthink'?
- There are self-managed and independent options. For a self-managed option, the board could agree on what it would like to evaluate and do a workshop on this. For this option to be of real value, board members must be willing to engage honestly and constructively about what's working well and what needs work. Introverts often need time to consider things before they speak, so a workshop might not appeal. A questionnaire may be helpful.
- An independent option is to use a professional board evaluator. The board can negotiate the style and focus of the review. The benefit of this approach is that it can encourage more honest feedback and it will bring professional advice. The downside is the potential cost.





## Board Development - how important is continuing professional development for directors?

- Governance is a high calling that deserves a commitment to ongoing upskilling. What constitutes 'good governance' continues to change and expectations are increasing.
- There are excellent free resources online. Bodies such as the Institute of Directors, Community Governance Aotearoa and the Chartered Governance Institute of New Zealand offer short courses, such as on financial literacy and governance, and also hold events that educate and allow directors to interact with other directors.
- Consider investing in formal training, particularly if you are just starting out or are planning to become a professional director.



## Board Chairs- is it really that different?

- Being chair can be enjoyable and rewarding but takes effort to do well. It's not for everyone. You need both IQ and EQ.
- A chair is a facilitator, not an autocratic leader imposing their views. The role is to guide the group.
- Be organised with agendas, minutes and board papers.
- Foster a respectful, collaborative and constructive culture that encourages input from all.
- Set the right tone. Bring energy and enthusiasm.
- Confirm a shared understanding of what has been agreed.
- Hold people accountable.

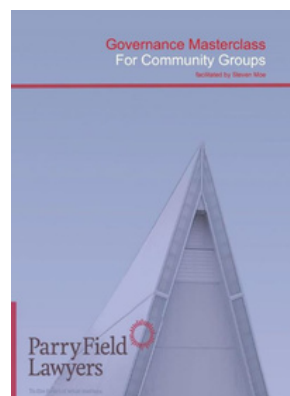


## Board Remuneration - the role it plays in securing good talent.

- It can be the case that 'you get what you pay for' – but not always.
- Professional directors will typically expect to be paid. As a general rule, they will be experienced and highly skilled. This does not mean they are necessarily great directors. Ask around about their abilities. Make sure they do not have too many governance positions to do justice to each of them.
- People starting out in governance will often be eager to get experience on a board and often will not expect payment. If they have governance training, they may be a good value option. Interrogate their intentions and commitment.
- Any payment to board members must be made in accordance with the organisation's rules. Note that for charitable trusts, this will typically be in accordance with market rates and needs to be allowed in the trust deed.
- For very specialised roles, consider getting advice from a recruiter who specialises in board roles.

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# Board Matters



With Steven Moe

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- [Incorporated Societies Information Hub](#)
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- [Faith Groups Information Hub](#)

## More Resources:

- [Chairing the Board](#) - Volunteering New Zealand
- TPK Resources- <https://www.tpk.govt.nz/documents/download/150/tpk-chairingboard2006-en.pdf>
- Governance New Zealand- [Chairing The Board: Governance New Zealand](#)
- IOD Resources- [Not for Profit Governance Essentials - online | IoD NZ](#)