

Arts and Culture Leadership: Four Action Steps to Create a Stronger Board

Wyona Lynch-McWhite, Vice President

Board leadership is a core element in the success of all nonprofit organizations and perhaps more so in the unique arts and culture sector. While each board is unique and possesses its own set of institutional challenges, industry best practices are relevant across all arts and culture disciplines and can be useful to assess the strength of an organization's board.

In this edition of *Arts Insights*, Arts Consulting Group (ACG) highlights the findings of the recently released "Museum Board Leadership 2017: A National Report" by governance research leader BoardSource, in partnership with the American Alliance of Museums. The report looks at three categories of board practices: People, Work, and Culture. It also compares the response data from 861 participating museums with the broader nonprofit sector response included in its prior report "Leading with Intent: A National Index of Nonprofit Board Practices," which had 800 participating organizations in the most recent version of the project. Based on the results from these reports, ACG has identified four action steps that all boards should implement to advance their arts and culture organizations.

Key Highlights

The "Museum Board Leadership 2017: A National Report" showcases the results from an in-depth survey of museum board chairs and museum directors regarding board practices. The survey shed light on some of the key differences between board leadership at museums compared to other nonprofit organizations.

Diversity: Museums have less gender and ethnic diversity in its staff and board leadership than other nonprofit organizations. Forty-six percent of museum boards are comprised entirely of white members, compared to 30 percent of other nonprofit boards. However, only a small percent of museum directors and board chairs have actionable plans to ensure diversity despite sharing a commitment to its importance.

Policies, Practices, and Plans: Compared to other nonprofit organizations, museums have a lower percentage of documented policies and practices that are related to the legal, ethical, and financial oversight responsibilities of the board. This includes IRS policies, self-assessments, and timely reviews of the organization's CEO. Museum boards were also less likely to have a written strategic plan compared with other nonprofits.

Fundraising: Fundraising is a critical function of financial oversight but only 19 percent of surveyed board chairs said that they have asked or have joined others in directly asking for money. Furthermore, only 16 percent have met with potential donors face-to-face, a critical step in the community ambassadorship and relationship building needed in advance of successful fundraising activities.

Board Meetings: Board meeting attendance is weaker at museums than other nonprofit organizations, with an absence rate of 23 percent at museum board meetings compared to 15 percent at other nonprofit board meetings. Spending a third or less of meeting time focused on future initiatives or strategic issues, museum board meetings are not visionary. Forty-five percent of time is spent on routine staff or committee reports and 23 percent is spent on fiduciary issues. Although 65 percent of the respondents identified retreats as a way to focus on board development and education, only 36 percent actually hold annual board summits.

Four Action Steps for Arts and Culture Boards

Although BoardSource's report focuses specifically on museums, this benchmarking data is valuable to other arts and culture boards as well. The information supports all that ACG has learned in its work with orchestras, dance companies, performing arts centers, zoos, and every other type of arts and culture organization. Regardless of specific cultural discipline or business model, good board leadership must be in place for an organization to move forward. Therefore, ACG recommends that boards within the arts and culture sector implement these four action steps regardless of the organization's size, type, or age.

Action Step One: Change the Board Agenda Now

Based on BoardSource's findings, boards do not allocate enough time for strategy and long-range planning. Too much time spent on reports and financial matters while fundraising and community relationship building is not firmly on the agenda. Conversations regarding reports, especially operational reports, should be limited. Does the full board need to spend 15 minutes discussing the marketing team's new media campaign? Instead, boards should consider creating a consent agenda, a meeting practice that combines routine committee reports, board meeting minutes, and other items that do not require discussion or independent action as one agenda item. According to BoardSource's *Recommended Governance Practices*, "Consent agendas promote good time management in meetings. The main purpose of a consent agenda is to liberate board meetings from administrative details, repetitious discussions, and routine tasks. The recovered time should be used for meaningful discussion, allowing the board to focus on issues of real importance to the organization and its future."

The culture and the direction set by the board are the foundation for an organization's success. Therefore, it is critical to focus board meetings on agenda content. The appropriate length of a board meeting typically depends on how often the board meets so there is no specific amount of time to allocate for a consent item. However, a practical suggestion would be to take the total amount of time allocated for a meeting, divide it in half, and allow that percentage of time to be for consent and non-action items that are essentially reporting. Ideally, the remaining half the meeting should focus on strategic discussions, including policies, best practices, fundraising, and associated capital, strategic, or program plan updates, all of which tap into the true work of a board. Using this rough exercise, boards can assess if the allocated time is in balance with the type of discussions that need to take place at each meeting. Additionally, ensuring that meetings are value-rich will improve meeting attendance and committee participation.

Action Step Two: Make the Board Summit a Priority

The type of focused planning that takes place at a summit is essential for not only organizational purposes but also for creation and cultivation of the board culture. Board members should be connected at social events and, most certainly, receive an orientation as part of the governance/nominating processes. However, to function as a team, they need time to plan together and make team assignments. ACG previously discussed this topic in the July 2014 issue of *Arts Insights* "Creating a Superb, Self-Managed Board." To minimize the type of siloed boards that can arise from having an active executive committee and less active standing committees, every board member should have a role to play on the board. These roles should connect to the institutional strategic plan, with goals and objectives assigned to both the staff and the board. A summit is the perfect opportunity to look at this type of planning and its correlating assignments. If finding a designated day for a summit is a challenge, boards can expand a regular meeting and bring in a facilitator to make the most of this valuable time. ACG refers to these meetings as board summits rather than board retreats. A retreat, by definition, is an active withdrawal or move backwards. Conversely, a summit reflects a process in which the organization is advancing, climbing to the top, and gaining a good perspective to make strategic decisions.

Action Step Three: Define Fundraising Success

No matter an organization's mix of earned and contributed revenue, board members are essential to a successful revenue generation strategy. Whether they write checks or buy tickets, the example board members set and relationships they build encourage others to participate. According to *Giving USA 2017*, individual giving remains as the largest source of charitable dollars for all philanthropic giving, making up 72 percent of total revenue. Therefore, it is imperative that every board member understand the different ways they can help bring these critical resources to their organizations. Having personal wealth is not the only key identifier to be part of an organization's fundraising success.

BoardSource's fundraising statistics are shockingly low number. Not only can this be changed, it can also be an opportunity for growth. As ambassadors for the organization, board members deserve training on how fundraising success is defined and what their roles are within that process. This training should be part of the orientation process

and the strategic discussion at board meetings. Fundraising is not just the job of the development staff. While there should be respect and confidentiality around gifts, understanding the process should not be a secret.

Action Step Four: Make Concrete Action Plans Around Diversity Goals

As discussed in the November 2016 issue of *Arts Insights*, “The Three Sides of Organizational Diversity,” organizations should take the time to define what diversity looks like within their audiences, their workforce, and their board leadership. The arts and culture field is predominately led by older, able-bodied white workers at levels that are disproportionate with the communities that their organizations serve.

Diversity goals are unique for each institution so a broader discussion on possible action steps to define and achieve these objectives is required. Once an organization has defined its diversity goals, clear measurable plans can be made to bring this core value forward as a reality. What are the action steps and who will be accountable for implementation? How often will diversity results be reported and how will success be evaluated at board meetings? With honest effort, the organization will begin to see success and gain valuable insight. Without these steps, how can diversity truly be something that an organization values?

Conclusion

ACG encourages all board members to review the findings of BoardSource’s report to gain a better understanding of both the successes and shortcomings of arts and culture boards. ACG’s recent industry surveys produced similar results. It is clear that while many boards have the same priorities, they also struggle to allot the appropriate amount of time and focus needed to implement real change within their organizations. Surveys and studies such as these are invaluable to the arts and culture sector as they allow board members to evaluate their individual and aggregate strengths and weaknesses. By adding to the collective knowledge of the industry, organizational leaders can effectively enhance the arts and culture within their institutions and the communities in which they serve.



Wyona Lynch-McWhite, Vice President

Ms. Lynch-McWhite joined ACG as Vice President in 2016, bringing a long and accomplished career in the museum and cultural sector, including more than 21 years of experience leading art, university, and multidisciplinary museums. She previously served as the Executive Director of Fruitlands Museum in Harvard, Massachusetts, where she led the institution through strategic and business planning and instituted a comprehensive organization and program rebranding for the museum’s centennial celebration. Ms. Lynch-McWhite also held the role of Deputy Director and, later, Executive Director at Fuller Craft Museum. Under her guidance, she revitalized the museum’s development program and donor relation strategies as well as eliminated a multi-year deficit pattern. A 2006 participant in the Getty Center’s Museum Leadership Institute, Ms. Lynch-McWhite currently serves as the Leadership and Management Network Chairperson of the American Alliance of Museums and as a board member of

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Contact ACG for more information on how your board can implement strategic change within your arts and culture organization.

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