

What Nonprofit Boards Can Learn from Corporate Boards

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Patricia Bellinger

It's a given that nonprofit and for-profit boards have different motivations for doing what they do for their organizations. Nonprofit board members seek increased social impact and the fulfillment of their missions; for-profit board members seek increased shareholder value.

Most nonprofit board members serve voluntarily and without compensation, whereas on the corporate side, government regulation and pressures from activist investors require highly prescriptive board roles for which members are paid for their time and expertise.

But do these differences mean that there aren't lessons to be learned from those who have served on both types of boards? To find out, we're posing four questions to leaders who bring years of deep service on both corporate and nonprofit boards. Our first discussion is with [Patricia Bellinger](#), who is the executive director and adjunct lecturer at the Center for Public Leadership at the Harvard Kennedy School. She is a director of [Sodexo USA](#) and [Pattern Energy Inc.](#), and serves on the nonprofit board of trustees of [Facing History and Ourselves](#) and [uAspire](#).

Here's what Bellinger had to say.

Based on your corporate board experience, what do nonprofit boards do well?

It's not apples to apples because the objectives between the two are so different, but I find that nonprofits do a much better job linking to the big picture, their place in the world, and their mission. Many of the nonprofits I know ooze and breathe their missions; every one, at every level of the organization seems to take pride in the mission. Corporations have lofty missions, too, but they're often

less palpable and they don't harness this power as well. I don't actually think it's expensive for companies to allow for more community involvement, but it will only be real if senior leaders engage authentically. Nonprofit leaders model this daily.

Based on your corporate board experience, what should nonprofits spend more time on?

I'm struck by the greater focus on talent development in the corporate world because such a high percentage of nonprofits provide people-intensive services. The truth is that investment in talent isn't always expensive. Ninety percent of talent development is learning on the job and it's about leaders prioritizing and delivering this. I'm not saying corporations get this right every time, but corporations tend to invest time and resources to develop and retain great people, and nonprofits could be more intentional about this by doubling down on the training and expertise needed for strategy and leadership development.

Should nonprofit boards pay more attention to measuring outcomes?

I think the answer is "yes" based on what I've seen in the corporate sector. For-profits are driven by the bottom line, and you won't last in that space unless you allocate resources well. There's discipline in thinking about that resource allocation—be it people, financial, or time resources—leading to specific outcomes such as revenues or market share. Nonprofits, more often than not, are resource constrained, which should drive increased focus, not less focus, on this area.

Be that as it may, it is a big responsibility to take donors' money to scale and/or move the dial on important societal issues. I admire nonprofits that have said, "no, we're not ready" for that large grant or gift. That takes discipline and management wisdom, and is really the best of both worlds because the end goal isn't getting the grant or gift but rather creating systemic change.

Even as measurement comes into its own in the nonprofit field, there's still a reluctance to think of impact with the same sharp edge and focus that corporations bring. Sure, measurement helps prove your program model or how you're moving the dial on an issue, and it helps to convince donors to invest in you, but measurement isn't always aligned with resource allocation. Corporations have to make tough decisions on resource allocation; nonprofits don't always cut back on a program when it's not delivering impact.

I try to bring a connection to mission and results-orientation to both my nonprofit and corporate boards.

What other advice would you pass along to nonprofit board colleagues?

Neither type of board is outstanding at inclusion. I've seen nonprofit boards serving communities that are primarily of color yet their boards are entirely comprised of Caucasians. Nonprofits should raise the bar on connecting to diverse communities and stakeholders by working to include people with the insights to help them align resources, objectives, and outcomes that serve their communities. Nonprofits spike so high on mission and values that I'm hopeful they will expand their outreach to build diverse boards that are reflective of our society as a whole.

Finally, don't rubber-stamp the organization's strategic plan and budget, but rather bring your "A-game" skills and offer them freely. That said, great advice a friend gave me on the wise approach to board service is, "Nose in, fingers out!"

Additional Resources

Nonprofit Board Governance: The Board's Role

<https://corpgov.law.harvard.edu/2012/04/15/nonprofit-corporate-governance-the-boards-role>

2015 Survey on Board of Directors of Nonprofit Organizations

<https://www.gsb.stanford.edu/faculty-research/publications/2015-survey-board-directors-nonprofit-organizations>

Leading with Intent

<http://leadingwithintent.org>

The Dynamic Nonprofit Board

<http://www.mckinsey.com/industries/social-sector/our-insights/the-dynamic-nonprofit-board>

The Dynamic Board: Lessons from High-Performing Nonprofits [PDF]

https://socialsector.haas.berkeley.edu/documents/McKinsey_Dynamic_Board_Report_w_Assessment_Grid.pdf

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