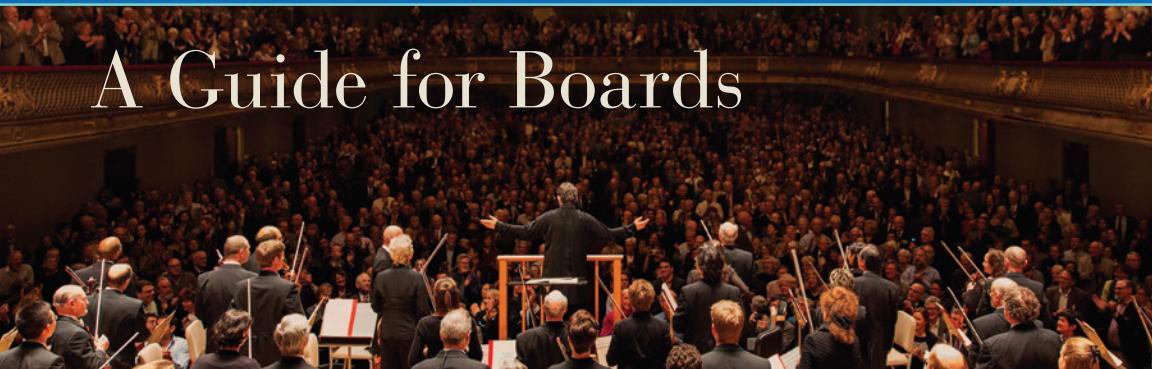


# Effective Orchestra Governance

A Guide for Boards



League  
of American  
Orchestras

**NOTEBOOM GOVERNANCE CENTER,**  
**LEAGUE OF AMERICAN ORCHESTRAS**

# **Effective Orchestra Governance: A Guide for Boards**

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LEAGUE OF AMERICAN ORCHESTRAS**

Ellen Hirzy, Writer



Cover: The Boston Symphony Orchestra and Music Director  
Andris Nelson enjoy a standing ovation from the audience  
at Symphony Hall in Boston.

Photo: Marco Borggreve

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# Foreword

Helen Thompson, the League’s iconic CEO from 1950 to 1970, was fond of saying that the single most determinative factor in an orchestra’s success was the quality of its board. Everything in my experience has borne this out. Nonetheless, it is the exceptional board that devotes the kind of discipline and training to its work that we expect of our musicians and staff. We just don’t think about going to “board school,” and even if we did, where would we go?

Fortunately, there has been a considerable amount of scholarly research on nonprofit governance in recent years, and there is now a body of practice that can be—and is—taught. Like any guidance directed at complex group dynamics and leadership roles, views of what constitutes “good governance” change from time to time. And of course, practice must be applied in a way that takes into account the unique circumstances of each situation.

In the book that follows we are fortunate to bring forward the expert voices of Ellen Hirzy, Lowell Noteboom, and David Nygren, that combine to convey governance guidance that is both grounded in the most recent research and practice, and field-tested against the reality of orchestras in the 21<sup>st</sup> century. This book is just one recent example of the League’s many resources designed to support orchestra board members and excellence in governance practice. I hope it will be useful, and I encourage readers take advantage of all the resources we have available through our Noteboom Governance Center at [A black and white portrait photograph of Jesse Rosen, a man with light-colored hair and glasses, smiling. The photo is signed "CHRIS LEE" vertically on the right side.](http://americanorchestras.org>Noteboom</a>.</p></div><div data-bbox=)

Jesse Rosen  
President and CEO  
League of American Orchestras

A handwritten signature in black ink, appearing to read "Jesse Rosen".

## About This Guide

Orchestras are a vital part of America's musical landscape and civic life. With nearly 1,400 nonprofit symphony, chamber, collegiate, and youth orchestras, the nation is brimming with extraordinary musicians, live concerts, and orchestras as unique as the communities they serve. Orchestral music making is flourishing in our country, encouraging creativity and bringing people together to share the experience of live music. Orchestras fuel local economies, attract new business development, educate young people, and—through the power of music—unite individuals and cultures in times of public celebration and healing.

Although orchestras have experienced challenging times since the Great Recession, those experiences have spurred a shift in perspective. Mindful that board performance can make the difference between viability and vulnerability, orchestras and their boards are considering *how* to change, not *whether* to change, in order to continue serving the art form and their communities.

As a catalyst, convener, and source of information and knowledge, the League of American Orchestras serves board members, staff, musicians, and volunteers in hundreds of member orchestras across the country. Through its Noteboom Governance Center (see Resources, p. 61), the League offers support, strategies, and programs that promote good governance practices and build strong boards. As essential reading for boards that are dedicated to governing well, *Effective Orchestra Governance: A Guide for Boards* is designed for board members in today's dynamic environment, where inspired and effective leadership, healthy cultures, and robust and sustainable business models are needed to build strong orchestras.

Orchestras have a broad common purpose, unaffected by budget size, location, or visibility. Their boards, too, share the same essential governance principles and legal and ethical responsibilities that apply to all nonprofit organizations. But the work of governance—the culture and practices that engage the board to fulfill its responsibilities—has few hard-and-fast rules. The route to effective governance involves finding the best people to serve on the board; equipping them with the knowledge, skills, and discipline they need to be effective; and creating a culture that supports accountability, transparency, and sound decision-making.

As a resource and educational tool for boards, this book has multiple uses. Here are a few possibilities:

- For *prospective board members*, an overview of what to expect from board service
- For *new board members*, required reading as they join the board
- For *experienced board members*, a reminder of expectations and responsibilities and a framework for self-assessment
- In *board orientation*, to design a comprehensive agenda and guide discussion
- For the *CEO and board chair*, food for thought on improving board engagement
- At *meetings and retreats*, to stimulate reflection on board responsibilities, guide self-assessment, or refocus and energize the work of the board

*Effective Orchestra Governance: A Guide for Boards* focuses on understanding and accomplishing the work of the board. What are the essential responsibilities of orchestra boards and board members, and how do boards create a culture that stimulates disciplined engagement in governance? Chapter 1 introduces the dynamic and changing context for orchestras and their boards, concluding that strong governance demands commitments to rigorous board practices, community engagement, financial accountability, board diversity, artistic health, and constructive staff and musician relationships. An orchestra's unique organizational structure and relationships—which encompass the board, CEO, music director, staff, and musicians—is the subject of Chapter 2. Chapter 3 describes the collective and individual responsibilities that are the substance of every board's work. Chapter 4 explores five ways to engage the board so that it is not just a competent governing body, but an exceptional asset for institutional advancement. Each chapter concludes with essential concepts that can be starting points for board discussion.

#### **Available Online**

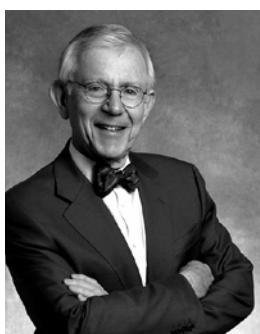
A downloadable, digital version of this guide is available through the League's Noteboom Governance Center: [americanorchestras.org>Noteboom](http://americanorchestras.org>Noteboom).

## ACKNOWLEDGMENTS

*Effective Orchestra Governance* was written by Ellen Hirzy, an independent writer and editor with extensive experience in working with arts institutions and other nonprofit organizations. For their assistance and expertise in shaping and refining the content of this guide, the League is grateful to Lowell Noteboom, a trustee and past board chair of the League of American Orchestras and the Saint Paul Chamber Orchestra and to David Nygren, past chair of BoardSource and a consultant to corporate and nonprofit boards on board effectiveness, organizational strategy, and executive leadership. Ken Cole, vice president for Learning and Leadership Development at the League, helped to develop this guide. Forward Design of Chicago designed the guide, and members of the League's staff—Celeste Wroblewski, Robert Sandla, Chester Lane, Jennifer Melick, and Mike Rush—contributed to editing and design.



Ellen Hirzy



Lowell Noteboom



David Nygren

LOUIS JOHN PHOTOGRAPHY

## CHAPTER 1

# The Context for Orchestra Governance

Governing boards of nonprofit organizations in this country serve a uniquely American function: they ensure citizen participation at policy and leadership levels in groups that provide a service to a diverse public. An intense focus on nonprofit governance beginning in the 1980s inspired a deeper understanding of what makes boards effective. With this knowledge, it almost goes without saying that to thrive in our society today, a nonprofit organization—whether it is an orchestra, a social service agency, or a museum—must have a clearly defined mission, sustainable financial resources, strong staff leadership, and positive engagement with its community. The organization must also be accountable for the results of its efforts, using metrics that show how well it is accomplishing its mission and goals. Extensive research and writing about nonprofit governance have generated principles, ideas, and information to guide boards in their work. Board responsibilities are no longer elusive, but clearly explained. Information that applies to all nonprofit organizations, regardless of purpose, is easily accessible.

Like all nonprofit organizations, today's orchestras inhabit a changing world. With a severe recession not yet a distant memory, a new movement is gaining momentum that recognizes the inherent opportunities in shifting public interests, developing technologies, and changing demographics. Challenging their traditional boundaries, orchestras are demonstrating the unique ways they engage with diverse communities and address public needs, both within and beyond the concert hall. More than ever, they need strong governance from boards that have the creativity and will to move outside their comfort zones, envision what is possible, and match the robust pursuit of mission with financial health.

To understand the context for orchestras and where they fit in, boards should consider three questions: Why do orchestras matter? What issues and trends affect orchestras? What kind of governance do orchestras need today?

### **Why Do Orchestras Matter?**

People who are deeply involved in orchestras—board members, staff, musicians, and avid audiences—have an instinctive feeling for why orchestras matter. Orchestras represent artistic excellence and provide lifelong musical experiences and participation in the creative process. They contribute to community health and vitality by fueling local economies, attracting new business development, educating young people, and—through the power of music—uniting individuals and cultures in times of public celebration and healing. They expand access to music for people of all ages who might not have a natural comfort with cultural institutions. And they are engaging in programmatic and policy efforts to reduce gaps in access to arts education in schools.<sup>1</sup>

Yet audiences in U.S. nonprofit performing arts and cultural institutions, including orchestras, have diminished over the past 30 years, even though interest in creating, performing, and sharing art is on the rise. The most recent National Endowment for the Arts survey on arts participation found that most people who attend “benchmark” arts activities—jazz, classical music, opera, musical and nonmusical plays, ballet, and visits to an art museum or gallery—are white and upper-income.<sup>2</sup> The public too often sees these institutions as inaccessible to a broad community, a perception reflected in their participation.

The intrinsic value of orchestras and the music they play was for many generations self-evident, and sufficient to garner audiences and contributions. In recent years the competition for support, and an increasing focus on aligning philanthropy with civic priorities, have required orchestras to justify themselves in additional ways. Research undertaken by the League revealed that orchestras get high marks from “influentials” (for example, policy makers) for their artistic quality but score less well when rated for serving their broader communities.<sup>3</sup>

While their intrinsic value remains central to who orchestras are, our case-making must address how orchestras' artistic endeavors are deployed in service to community priorities. For an orchestra, public value is not solely described or measured in terms of audience size, artistic excellence, or scope of repertoire, but also includes consideration of the difference it makes in people's lives and whether or not that difference lasts. Every board must determine and express its orchestra's value in the context of its environment.

Orchestras make a difference in these and other ways:

- They present both time-honored masterworks and contemporary orchestral music. A growing body of new work reflects our time and place and can be a catalyst for important conversations.
- Through programs with themes tied to specific cultures, orchestras convene and connect diverse groups to an art form that resonates with people of all backgrounds.
- Their creative collaborations with community-service, educational, and other artistic organizations create authentic relationships with youth, seniors, and underserved populations.
- Musicians, staff, and volunteers contribute creative capital and energy to the communities in which they live, work, and play.
- Orchestras are a proven magnet for business, investment, and tourism.
- They infuse love and appreciation for music in children. Studies show that creating, performing, and responding to music improves students' success in school, work, and life.
- They foster discipline, teamwork, joy, and individual skill and expression in amateur musicians from preschoolers to seniors.<sup>4</sup>

## What Issues and Trends Affect Orchestras?

Today's realities require orchestras to reflect on and retool their values, priorities, and practices and to find contemporary solutions related to audience, community engagement, finance, fundraising, governance, and leadership. An introduction (by League President and CEO Jesse Rosen) to the League's strategic plan, *Creativity, Engagement, Impact: The League of American Orchestras' Strategic Plan, 2016-2020*<sup>5</sup>, summarizes the main challenges and opportunities ahead:

Today, orchestras are embracing the opportunities presented by the current environment with vigor and ingenuity. The rate of experimentation is at an all-time high. As audiences, current and prospective, reveal increasingly new and varied preferences, the experience of orchestral music, its very nature and access to it, is evolving rapidly.

Parallel to these changes, orchestra missions are also in play, shifting from an inward focus, on their own attributes, to an outward one: the public impact they make. The old tensions between "protect and preserve" versus "embrace the future" are giving way to a more holistic view that fuses excellence and engagement, that defines purpose as both fostering creativity and creating community value, and that understands repertoire as a continuum of new and old, and as a moving point on a spectrum of genres.

With nearly 1,400 orchestras across the country, America is brimming with extraordinary musicians, live concerts, and orchestras as unique as the communities they serve. Orchestral music and the ensembles that bring it to life at ever increasing standards of virtuosity and quality, continue to demonstrate resilience and to hold a firm position among Americans' most treasured genres.

For many orchestras, the current period of economic recovery is providing the fuel for change. But the Great Recession, still fresh in our memories, has left some important lessons: the frailty of both capital structures and organizational cultures inhibits effective response to inevitable downturns. We have also been witnessing the ripening of the public value challenge. As the Federal government continues to seek new revenues, nonprofits of all kinds have been challenged to defend tax incentives for charitable giving. State legislatures are similarly considering curtailing deductions for

charitable gifts, reviving taxes on ticket sales and instituting, for orchestras and other nonprofits, payments in lieu of taxes. The debate centers around public benefit: what is the value to the public that merits our tax-exempt status? Income streams are further threatened by changes in philanthropic priorities as wealth is transferred to many next-generation philanthropists for whom classical music commands less interest. And as America races toward a majority minority population, orchestras, despite decades of local and national efforts, are still a long way from reflecting the composition of the communities they serve.

Meanwhile, as digital natives reach maturity, the idea that live performance has some innate superiority is no longer taken for granted. At the same time, the appetite for classical music endures, evidenced by recent data revealing that, other than a broad category encompassing “popular music,” classical music was the musical genre most watched or listened to on TV, radio, or the Internet. The long-form live symphonic performance has to find a place alongside the digitally-enhanced, multi-layered, and often short experience that is the norm.

The demands on staff, board, musicians, and volunteer leaders to navigate change have never been greater. As is the case across the entire nonprofit sector, the leadership pipeline for orchestras is insufficient in both supply and preparedness to lead and thrive in this environment.

These conditions have triggered fresh thinking about the new work of orchestras, their practices and priorities, and the knowledge, skills, and talent they will need to meet these challenges.

## **What Kind of Governance Do Orchestras Need?**

As orchestras explore their external context, they also need to take an internal look at their values, practices, and structures. Orchestras need boards that support these commitments:

**Rigorous board practices.** Boards have high expectations for their own performance, including high motivation to serve, periodic self-assessment, a culture of strategic thinking and learning, close teamwork, and full participation in annual giving. Diversity is a priority in board recruitment because it brings a new balance of perspectives to the boardroom and signals the orchestra's commitment to engaging a diverse constituency.

**Community engagement.** The board leads the orchestra in pursuing authentic community engagement, believing that deeper connections with audiences and participants advance the orchestra's mission and enrich community life. Board members are conversant in the language of public value. They understand that engagement is not a series of programs or initiatives designed by the orchestra for the community's benefit, but an organizational commitment to build meaningful, sustainable relationships with diverse audiences and participants.

**Financial accountability.** With an eye on the orchestra's future, the board sees long-term financial health as a central imperative and commits to capacity building and planning that strengthen the orchestra. Board members look beyond the operating budget to focus on building a strong balance sheet and robust capital structure.

**Diversity.** The board's dedication to diversity, equity, and inclusion as organizational values is reflected in its recruitment of new members. The board believes deeply that bringing multiple perspectives to the boardroom is an investment in the orchestra's viability as an artistic institution and a community citizen.

**Artistic health.** The board carries on a conversation about music that encompasses the orchestra's performance standards, artistic innovation, social context, the community's composition and interests, the audience's preferences, and the musicians' perspectives. Board members are open to different types of music and believe in pursuing innovation in repertoire and programming. They are willing to invest human and financial resources in experimentation and to be comfortable with risk.

**Constructive staff and musician relationships.** The board chair, music director, and executive director form a strong leadership team grounded in trust and dialogue. Boundaries among the board, musicians, and staff are more flexible, and musicians in particular feel a part of orchestra planning and decision-making.

#### **Essential Concepts for Boards**

Perceptual barriers still limit diverse public engagement in orchestras.

Public value—along with audience size, artistic excellence, and scope of repertoire—is an essential measure of an orchestra's impact.

Generational shifts in leisure-time choices, consumption patterns, and music preferences are opportunities that require new approaches and business models.

Undercapitalization threatens financial sustainability across the nonprofit sector, demanding rigorous board stewardship and long-term thinking.

Collaborative, inclusive, and transparent organizational cultures are essential for institutional advancement.



## Orchestra Leadership Structure

Changing approaches to leadership structure are evident in orchestras and across the nonprofit sector, as rigid boundaries between governance and management give way to a philosophy of flexibility that puts function before form, mission and vision before predictable nonprofit hierarchy. Boards, of course, have legal authority as fiduciaries of an orchestra's resources and guardians of its mission. But in the contemporary environment, as Lowell Noteboom writes, no one within the orchestra leadership structure "gets a free pass from sharing in the responsibility for understanding the problems or helping to design and implement the solutions. Nothing short of collaborative governance can be truly effective. If any one constituency fails to own its fair share of the challenge, the organization's chances of surviving the crisis are seriously reduced."<sup>6</sup>

Orchestras have always been a variation on the typical nonprofit structure, with the chief executive officer and the music director in parallel leadership roles. Generally, both are hired by and report to the board, and each has an individual relationship with the board. By virtue of their shared responsibility for leadership, they have a working relationship themselves, ideally characterized by a collaborative spirit and a commitment to the best interests of the orchestra and its audience. This leadership structure traditionally has been likened to a three-legged stool, but that excludes a major constituency: musicians, who are increasingly more involved in decision-making. The complexity of the orchestra leadership structure can produce the classic tensions that surface between boards and staffs of many nonprofit organizations, but with multiple voices.

Shared authority and responsibility for governance and leadership will vary depending on the orchestra and its internal culture. But experience shows, and experts believe, that in an economic and social environment that demands adaptive cultures and flexible leadership, the most successful nonprofits no longer compartmentalize policymaking and policy implementation.

### The Board Chair's Role

The board chair leads by example, setting the tone for the way the board works together in a culture of respect, collaboration, and dialogue. An effective leader promotes positive dynamics within the board and between the board and the CEO, music director, staff, and musicians. He or she communicates clear expectations for board service and holds board members accountable for their responsibilities. Board members feel encouraged and motivated to do their jobs well. Skilled board chairs are adept at facilitating group interaction, drawing out reticent board members while preventing others from dominating or derailing board discussion.

A strong relationship between the board chair and the CEO contributes to effective governance. The chair is a valuable sounding board for the CEO, a role that requires trust and confidence. As a team, they engage the board in meaningful work around the orchestra's mission and vision and ensure that mission and strategic direction are aligned with programs. Mutual respect and open communication in this relationship become a model for the CEO's interaction with the rest of the board. The two leaders should agree early about their priorities for the orchestra, the tone they would like to establish for the board's work, and the advocacy and fundraising strategies they want to pursue. They should also discuss board orientation, their shared goals for board meetings, and strategies for board assessment. Regular communication is essential—in a weekly breakfast meeting or phone call, for example. Similarly, the board chair and the music director need an ongoing dialogue built around artistic direction and the fulfillment of artistic mission.

## **The Board and the CEO**

The relationship between the board and the CEO is based on shared enthusiasm for the orchestra's mission and vision. Although the board recruits and hires the CEO, they work in partnership. An effective staff leader knows that building a successful board strengthens the entire organization. And an effective board knows that the CEO needs its support to lead the organization.

The board and the CEO each bring a rich blend of professional and personal competencies—including skills, knowledge, and viewpoints—to their jobs. Drawing on their strengths, they have the potential to provide dynamic, forward-thinking leadership. The board sees the orchestra from the external vantage point of a diverse group of people who may represent a range of professional fields and personal backgrounds. Some are no doubt experienced board members who are well acquainted with the workings of nonprofit organizations. Many have valuable connections to the community. The CEO sees the orchestra from the vantage point of a professional with artistic sensitivity and often a background in music, a belief in the orchestra's community value, and a national and international perspective on the orchestra field. His or her expertise may span orchestra administration, music, finance, planning, fundraising, communications and marketing, advocacy, and program development.

As the administrative leader, the CEO ensures that the orchestra fulfills its mission, realizes its vision, and achieves artistic excellence, financial sustainability, and community engagement. He or she is the orchestra's chief spokesperson, visible in the community and involved in building relationships with leaders in the public, private, and nonprofit sectors. *Fearless Journeys*, a League of American Orchestras study, found that effective orchestra executives bring certain leadership qualities to the job, including

- focusing people on future aspirations while insisting on current productivity
- monitoring and learning from best practices and innovations in the business environment within and outside the orchestra industry
- using financial forecasting and multiple scenario considerations to ensure the long-term financial viability of the organization
- resilience, open-mindedness, self-confidence, and tolerance of risk
- willingness to initiate innovation<sup>7</sup>

In a successful partnership, the board and the CEO have certain commitments to one another. With respect to the CEO, the board has these commitments:

- Compensation, benefits, and a working atmosphere that make the CEO's position attractive to the best possible candidates
- A clear job description and performance goals
- Regular formal performance reviews
- Constructive informal feedback on job performance
- Rewards for tasks well done
- Respect for the CEO's relationship with and authority over the staff
- Prompt and thoughtful response to requests for guidance or assistance

The CEO has these commitments to the board:

- Dedication to the orchestra's mission, audience, and artistic policy
- Responsible performance of fundamental organizational and administrative tasks
- An administrative structure and decision-making mechanism that promote a productive working atmosphere and effective staff relations
- Thorough and timely communication with the board on matters important to board business, including both good news and bad news
- Effective representation and advocacy of the orchestra in the community
- Prompt and thoughtful response to board members' requests for information

For more about the board's role in selecting and supporting the CEO, see Chapter 3.

## **How the Chief Executive Supports the Board**

The organization is the real beneficiary of a mutually supportive chief executive-board partnership, which is reason enough for chief executives to support their boards by doing the following:

- Initiate and maintain a structure for board work centered on effective meetings.
- Show consideration and respect toward board members and facilitate interaction in board relationships.
- Provide helpful and useful information to the board that promotes meaningful and constructive engagement.
- Promote board accomplishments and productivity by recognizing and acknowledging good performance.
- Envision change and innovation with the board by keeping them informed of trends and changes and encouraging ongoing adaptation and improvement.

Source: Adapted from Richard L. Moyers, *The Nonprofit Chief Executive's Ten Basic Responsibilities* (BoardSource, 2006).

## **The Board and the Music Director**

The board has a complex relationship with the music director that varies from orchestra to orchestra. As the orchestra's artistic leader, the music director is the force that drives artistic quality, critical success, and visibility and involvement in the community. The music director is also a community arts leader, an essential role that is complicated by the fact that he or she often holds more than one position and therefore works in more than one community. The League's study of innovation in orchestras describes artistic leadership as:

setting a long-term strategic artistic vision; executing the work by presenting products and offerings, new and old, that meet the highest artistic standards; leading artists by motivating musicians and a variety of collaborators to contribute their best efforts to both content and process; inspiring the entire organization by working closely with the executive leadership team and with the board to align institutional practice and artistic vision; and acting as the orchestra's ambassador in the community by building partnerships and raising funds.<sup>8</sup>

The study found that artistic leaders in innovative orchestras share several qualities. They

- involve others in the discussion of artistic goals and strategy, programming, and delivery
- respect their orchestras' audience and cultural framework

- push the boundaries of the art form, believing that symphonic music is a living body of work rather than a static repository of masterpieces
- feel both a curatorial responsibility and a responsibility as incubators of discovery
- believe in learning and in the process of discovery through music<sup>9</sup>

Music directors generally report to the board chair, as does the CEO. In some cases music directors report to the CEO. Regardless of the reporting relationship, it is critically important that the CEO and the music director operate in a collaborative partnership.

A generic job description for all music directors is difficult to provide, because the position varies considerably. The League's *Music Director Search Handbook* lists desirable qualities and skills in four broad areas: general attributes (such as musical talent and knowledge, creative program development, musical and personal leadership, and an inquiring mind); technical and performance; conducting; and administrative and personal. Roles and responsibilities should be spelled out in a contract that expresses the music director's functions and the board's expectations. If the major details regarding the scope of duties in both the artistic and administrative arenas are clearly stated, misunderstandings are less likely to disrupt his or her working relationship with the board.

Board members often feel that they lack the knowledge and experience to comment on artistic matters. But when the board is reluctant to set and enforce clear expectations for the music director, it risks undermining institutional effectiveness. Boards may not be equipped to provide specific feedback to the music director about the quality of artistic programming, but all boards are fully capable of holding the music director accountable for fulfilling the orchestra's artistic vision, along with other important responsibilities for community engagement, advocacy, and sometimes fundraising.

An important aspect of the board-music director relationship is the capacity for continuing give-and-take about ways to fulfill the artistic aims of the orchestra. Some boards have an artistic advisory committee that works with the music director. This type of interaction—whether informal or formal—provides the

opportunity for board members to enrich their understanding of the artistic product and results in feedback that becomes invaluable when determining contract renewal.

For more about the board's role in selecting and supporting the music director, see Chapter 3.

## **The Board and the Musicians**

In most orchestras, musicians have the longest tenure. They have often been with the orchestra longer than most board members, and much longer than the CEO or the music director. And yet despite their sense of ownership, they traditionally have felt like outsiders in orchestra governance and management. This detachment deprives the musicians of an opportunity to influence board policymaking and deprives the board of musicians' perspective on mission, vision, and policy. The League's innovation study concluded that "musician empowerment goes a long way. The capacity of musicians to make choices and to transform those choices into desired actions and outcomes increases through active engagement. Having decision-making power increases job satisfaction and commitment to the organization."<sup>10</sup>

Orchestras are taking fresh approaches to integrating musicians into the leadership structure, including:

- Appointing them to the board as full voting members
- Inviting them to join board committees
- Seeking their meaningful involvement in strategic planning, artistic programming decisions, fundraising, and marketing
- Appointing them to search committees for the music director and CEO

The board approves and reviews policies regarding the allocation of financial resources for musician salaries and benefits, and—where musicians are represented by a union—they approve the labor contract. Orchestra labor relations are complex. Although board members are not directly involved in the substantive issues of collective bargaining, an understanding of the process and its implications for the orchestra are essential if the board is to anticipate the finan-

cial impact of a recommended agreement. Every orchestra should have stated policies regarding labor relations that specify the extent of board involvement and delegate responsibility for collective bargaining to management.

When negotiations are in progress, the board should ensure that the management position is consistent with the goals expressed in the orchestra's current strategic plan. Labor negotiations can be a high-stakes process for resolving competing imperatives. Not only can the financial impact be significant, but the manner in which the parties engage can either build or unravel organizational culture. A board committee usually keeps the full board informed about developments in the bargaining process. Individual board members should refrain from speaking publicly about labor-management disputes. Comment by individual board members about the negotiations outside the boardroom is inappropriate, as it could easily be misconstrued as board opinion and jeopardize the process. The orchestra board and management must maintain a united front in labor negotiations, with clearly agreed-upon positions on the issues at hand and a firmly established plan for external communications.

#### **Essential Concepts for Boards**

- Collaborative governance makes problem-solving and decision-making a shared responsibility among board and staff, with the board retaining its organizational stewardship role.
- The board chair and the CEO are allies in building and empowering a board that governs well.
- The board chair and the music director should have an ongoing dialogue about artistic policy, artistic direction, inclusive audiences, and public value.
- The board should regard the musicians as insiders, integrating them into the organizational structure, encouraging them to participate on committees and in strategic planning, assisting with programming decisions, etc.

# The Work of Orchestra Governance

Nonprofit organizations have governing boards because they are legally required to do so. Every board is bound by the same three legal standards—the duty of care, the duty of loyalty, and the duty of obedience—that obligate their members to exercise care in decision-making, put the organization’s interests above their own, and act as guardians of the mission. A board’s fiduciary responsibility—its stewardship of mission and resources—is immutable. How it carries out that responsibility makes the difference between an adequate board and an exceptional one.

The essential work of governance involves a clear focus on the board’s collective responsibilities and the responsibilities of individual board members. This chapter offers a framework, with one caveat: these important basics are a foundation but not a checklist for effective governance. As BoardSource tells us, “good governance is about providing critical capital—intellect, reputation, resources, and access—to strengthen the organization and in turn the community it serves.”<sup>11</sup>

## **Collective Board Responsibilities**

### ***Shape and Clarify Values, Vision, and Mission***

An orchestra’s values, vision, and mission are the essential elements of its identity. As public statements, they inspire interest, confidence, and engagement in the orchestra. For the board, they are active tools for effective governance. The board is responsible for developing, adopting, and periodically reviewing these statements.

**Values** are the guiding principles, the deeply held beliefs that guide board governance and organizational operations and programs. Though values can be inferred from both mission and vision, a values statement establishes specific principles that tend to draw people—from board members to audience members—to an organization. Naming core values is only the beginning. It is

most important to define what they actually mean in the context of the orchestra. Only then can values influence the formation of organizational culture and guide the evaluation of vision- and mission-driven programs.

Core values for orchestras center on some of these themes:

- Excellence
- Community engagement
- Ethics, integrity, and trust
- Education
- Innovation
- Relevance
- Financial sustainability
- Inclusivity
- Collaboration

Youth orchestras add core beliefs about positive relationships with young musicians: personal growth, self-discipline, teamwork, self-esteem, peer connections, and playing orchestral music as a joyful experience.

**Vision** describes the landscape the orchestra aspires to create by accomplishing its mission. A vision statement—often one simple but powerful sentence—helps guide the board's long-term thinking by focusing on the future. Vision can have two parts: a vision for the orchestra's own future state and a vision for its impact on music, audience, and community. One orchestra's vision is "to be America's most relevant and accessible top-ten orchestra." Another describes the "common ground" that people in the community will find by sharing performances of great music. And another aspires to "transform hearts, minds, and communities through the power of symphonic music."

**Mission** expresses what the orchestra wants to accomplish and for whom, influences vision and values, and drives planning. A clear mission statement is the journey to the realization of vision—the basis for board and staff decisions about artistic product, operational policy, and program priorities. Together with artistic policy, mission is also a key indicator for judging an orchestra's success. A mission statement should be brief—one or two sentences are enough in most cases—and should explain in broad terms why the orchestra exists and what makes it distinctive. Compelling orchestra mission statements typically combine language about artistic excellence, audience, and the cultural vitality and quality of life of the community. Some orchestras also refer to fiscal integrity in their mission statements.

Boards typically revisit values, vision, and mission as they launch a strategic-planning process. Up-to-date, dynamic language gives cohesion and focus to all of the board's work. In strategic planning, articulating a current vision of the orchestra's desired impact drives the creation of a strategic direction. Mission, vision, and values are essential talking points in advocacy, fundraising, and board recruitment. They explain the organization to community stakeholders, donors, and prospective board members. In board meetings, periodically setting aside time on the agenda to reflect as a group on mission, vision, and values sparks discussion and invites participation.

### ***Set Strategic Direction***

Establishing a course for the orchestra is the board's central role. Often the natural instinct is to jump directly to strategic planning. But effective boards operate with intention in a continuous mode of strategic thinking and learning. Richard P. Chait, William P. Ryan, and Barbara E. Taylor explain that these boards shape strategic direction not through an analytical, step-by-step process, but “through insight, intuition, and improvisation.”<sup>12</sup> Board members have the latitude to ask big-picture questions that invite exploration and continuous learning. When boards get into the habit of thinking strategically, they can imagine opportunities, recognize obstacles, and engage in proactive instead of reactive decision-making.

Strategic planning grows out of strategic thinking to envision and establish the orchestra's direction. Effective planning is embedded in organizational culture, and treated as part of a continuous cycle that includes implementation and assessment.

## Benefits of Planning

Planning lends a solid framework to board leadership and day-to-day operations. In uncertain times, it is helpful because the board and staff have thought carefully about and agree on priorities and strategies. But it is important to remember that planning is not a panacea or a substitute for good governance and management.

The greatest benefits of planning often come from the process itself:

- A clear sense of direction and a blueprint for action
- A reinforced commitment to artistic quality
- An understanding of the orchestra's current and potential audiences
- A feel for the orchestra's role in its community
- A spirit of communication and teamwork among board, staff, musicians, and other stakeholders
- Smoother day-to-day operations
- Greater internal capacity for assessing the orchestra's impact
- A grasp of the orchestra's strengths, challenges, and weaknesses
- A focus on financial sustainability

## Process and Language

Planning is structured, but it is not necessarily linear. There is no one-size-fits-all approach that suits every organization. Resources on planning for nonprofits are abundant, and they are useful and adaptable for orchestras. (See Resources, page 61.) The board, CEO, and administrative staff collaborate to devise a process that works well for the orchestra.

The language of planning also varies, and it reflects the style and preferences of the orchestra. A simple and direct framework includes a coordinated group of *strategic issues* that are significant to vision and mission; *goals*, accomplishments or outcomes that allow the orchestra to fulfill its mission; and *strategies*, specific actions that support the realization of goals.

A typical planning process answers these questions:

- What does the orchestra's operating environment look like?
- How does this environment affect our artistic program, audience experience, educational initiatives, and financial sustainability?
- What are the orchestra's current strengths and weaknesses?
- How does the board envision the orchestra's impact on its audiences, its broader community, and the world of orchestral music?
- What strategic issues are most important as we pursue our vision?
- What goals must we accomplish to address these issues? What strategies will help us meet our goals?
- What resources do we need to support the goals and strategies in the plan?
- How will we assess the outcomes and impact of the strategic plan?

Organizations are adapting their planning processes and timelines to suit today's rapid and uncertain change, often moving away from traditional three-to five-year plans toward shorter time horizons. With a focus on the future, planning should contain explicit criteria for disciplined decision-making.

Mechanisms for regular review of strategic issues, and progress toward goals, should take into account inevitable shifts in the external environment.

Orchestras tend to highlight key issue areas like these in their strategic plans:

- Audience experience
- Community impact
- Diversity, inclusion, and access
- Music education
- Artistic vibrancy, excellence, and reputation
- Financial strength and sustainability
- Human capital needs
- Technology infrastructure
- Performance venues
- Board development and capacity
- Organizational culture

### Characteristics of Effective Planning

***Leadership from the top.*** A clear mandate from the board gives planning the visibility and priority it requires. Board member involvement also ensures their commitment to pursue the strategic direction established in the plan, help secure the resources necessary to carry it out, and monitor ongoing progress toward goals and objectives.

***Well-defined board and staff responsibilities.*** The board and CEO, along with senior management, work in close partnership on the strategic plan. Boards usually appoint a planning task force consisting of board members, the CEO, the music director, and appropriate administrative staff and musicians. Day-to-day details of planning are staff responsibilities. Board member involvement may naturally be more extensive in an orchestra with a small staff, but in general, the board's role is to be informed, involved advisors.

***An inclusive and transparent process.*** A range of people from within and outside the organization are involved and take ownership in the plan. The music director, musicians, key staff members, and volunteers all bring important perspectives. Community stakeholders—including donors, funders, community leaders, public officials, educators, and audience members—are critical resources. Frequent communication from the task force to relevant stakeholders is essential to surface divergent views and ensure buy-in.

***Planning expertise.*** A skilled consultant can help the planning team work effectively together, unleash creative ideas, and ask good questions that yield a viable plan. A consultant's facilitation and group-process skills can turn a potentially static exercise into a dynamic, future-oriented exchange. The right consultant will guide the process, not direct it, so that the board owns the strategic decisions expressed in the plan.

***Focus on financial sustainability.*** Sound planning takes a long-range view of fiscal responsibility by addressing not only multi-year budgets but also capitalization needs so that reserve, risk, and investment capital are available to pursue the orchestra's vision. (See page 32.) In basic terms, a realistic plan includes a financial forecast outlining costs as well as revenue strategies and opportunities that will support goals and initiatives and help the board and staff make sound decisions about resource allocation. But planning is shortsighted and incomplete if it approaches fiscal responsibility as balancing the budget one year at a time.

### **Thinking Strategically**

A board that makes strategic thinking a habit looks like this:

- Focuses with intention on improving strategies and performance
- Chooses carefully what to spend time on
- Looks at subjects in new ways and from different angles—not just backward or forward, but over, under, and around the issues
- Asks why, what if, and what do others do
- Reacts to and interprets information in ways that lead to clear choices, decisions, and actions
- Designs meetings that feel more like retreats
- Pursues thoughtful conversations that identify crucial issues and lead to better decisions

*Adapted from Terry Williams,  
"Thinking Outside the Boardroom,"  
in *Exceptional Board Practices*  
(BoardSource, 2008), 25.*

### **Monitor Performance and Impact**

The board's responsibilities do not end with the approval of the strategic plan. Policy and program decisions made during the period covered by the plan should always be weighed against goals and strategies. "What the organization actually does, and how well it does it, should be at the heart of board curiosity," says Richard T. Ingram.<sup>13</sup> Evaluating performance and impact is a critical part of organizational learning that supports strategic thinking and, when closely integrated with strategic planning, sets a solid foundation for decision-making. Implementing ongoing evaluation of organizational and program effectiveness is a staff responsibility. But the board, as steward of the orchestra's mission, monitors the results carefully to ensure that artistic and educational programs align with mission and vision and achieve the desired outcomes. (See Chapter 4, "Engaging the Board", for more about monitoring outcomes.)

The timeline laid out in the plan should be observed carefully, but when deadlines prove to be unrealistic they should be adjusted. The entire plan should be reviewed at established intervals to ensure that goals and objectives are still achievable, strategies realistic, and deadlines and financial projections appropriate.

### ***Develop Financial Resources***

A sustainable mix of revenue sources must support every strategic plan. At stake is not only the orchestra's artistic and operational success, but its survival in an increasingly challenging economic climate where competition for contributed dollars is often intense. There is a connection between good governance and effective fundraising. Donors do not give only because the orchestra's vision moves them. They give because it is a dynamic, creative organization that represents a sound investment.

Every board member must be an active participant in ensuring that the orchestra has the resources it needs to advance its mission, and the orchestra, too, must commit to informing board members about fundraising expectations and practices. BoardSource's annual study of nonprofit board practices, policies, and performance reports that fundraising often leads the list of board challenges. In 2014, 60 percent of CEOs and 58 percent of board chairs identified fundraising as one of the most important areas for board improvement.<sup>14</sup>

### **Personal Giving**

Board members' fundraising responsibility begins with making an annual gift according to a policy established by the orchestra. Financial commitment from the full board demonstrates their personal belief in the orchestra, which inspires others to give. Boards handle individual board giving in different ways. Some ask members to make the orchestra one of their top giving priorities. Others ask for a "stretch" gift that is within individual means. Whatever the expectation, it should be explicit. Boards that require personal contributions have a higher percentage of board giving, according to the 2014 BoardSource study: "If board members are not informed of what is expected of them before they join the board, and again during orientation, no one should be surprised if they fall short."<sup>15</sup>

### **Connecting with Donors**

Fundraising is more than asking for money. It is a long-term process of cultivating relationships. As donors get to know the orchestra, they may move from modest gifts to more substantial ones. Opening doors to potential donors and helping to build their interest over time is one of the most valuable assets that

members bring to the board. Their personal knowledge and connections put them in an ideal position to help staff identify and evaluate donors and then continue to cultivate their participation.

Every board member has something different to offer when cultivating donors. Some can generate interest from leading prospects by inviting them to performances and special events and keeping them up to date on new developments involving the orchestra. When it is time to make the request, board members can provide the introduction, accompany another board member or the CEO to call on the donor, or make the solicitation directly. A personal note from a board member added to the annual gift appeal letter can make a difference, too. Board members can also recommend contacts in corporations or foundations, host fundraising gatherings in their homes, seek in-kind contributions, find sponsors or host tables for special events, and share access to mailing lists of organizations to which they belong.

### ***Preserve Financial Sustainability***

The board's financial responsibilities go beyond participating in fundraising to include accountability for the disciplined, prudent management and protection of the orchestra's financial resources. As trustees of nonprofit tax-exempt organizations, the board holds the orchestra's assets in trust for the public, and thus they have serious financial obligations. But regardless of their financial practices, many nonprofits, including orchestras, suffer from systemic financial challenges that threatened their financial viability during the recent economic crisis. As nonprofits emerge from the short-term crisis, it is clear that they need to focus on the viability of their long-term future.

Ensuring financial sustainability involves much more than monitoring the budget. Across the nonprofit sector, reports the Nonprofit Finance Fund in its 2015 State of the Nonprofit Sector Survey, organizations "need to build the systems and follow the practices that will bolster [their] resilience and adaptability, and not simply address short-term survival." One survey respondent—an arts, culture, and humanities organization—explained that "although we manage to keep our financial heads above water, [our greatest challenge] is the uncertainty and constancy of operating on such a knife edge."<sup>16</sup>

An orchestra board's basic financial oversight responsibilities include approving and monitoring the annual budget, ensuring an annual audit, and managing investments. Taking the long view, the board must also ensure, among other things, that financial planning cushions against the impact of possible shortfalls, that careful cash flow planning is in place, that program growth is supported by infrastructure to support it, and that adequate reserves are available.

### The Importance of Capital Structure

Volatile earned income and often-high fixed costs—systemic challenges exacerbated by the lasting impact of a long recessionary period—have created financial stress for orchestras. Building long-term financial stability requires close attention to the impact of capitalization—the accumulation and application of resources in support of mission and vision—on overall organizational health.<sup>17</sup>

An organization's balance sheet is its capital-health scorecard, showing its net assets and measuring the level of its assets and liabilities. A strong balance sheet indicates that the organization has the cash to cover short-term and long-term obligations, weather external economic downturns, and try innovative artistic, engagement, and operational strategies. A weak balance sheet is a sign of an undercapitalized organization that cannot think beyond immediate needs, even to the point of risking failure.

Of the seven types of capital funds, all orchestras need these three:

- Working capital to pay their bills in a timely fashion
- Operating reserves to protect against unexpected downturns
- Opportunity or risk capital to stay relevant by trying new approaches and experimenting with new programs

Some orchestras also need these four funds:

- Facilities reserve (for an orchestra with facilities or significant leasehold improvements)
- Recovery capital (for an orchestra with negative net worth and structural deficits)

### **Questions Board Members Should Ask about Capitalization**

Capital structure differs from one organization to another, but it is a relevant concept even in small organizations. Clara Miller, former president of the Nonprofit Finance Fund, says capital structure should be a systemic part of strategic planning. She suggests these questions for board members to ask:

- What does our capital structure look like, and what should it look like?
- What priorities does it imply or demand?
- Is it appropriate for our purpose and plans?
- How will growth affect it? Will it improve or go out of balance as a result?

*Source: Clara Miller, "Hidden in Plain Sight: Understanding Nonprofit Capital Structure," Nonprofit Quarterly, Spring 2003, 7.*

- Change capital (for an orchestra in transition from recovery to a new business model)
- Endowment (to ensure the longevity of an orchestra with a long-term time horizon)

Capitalization strategy should be an integral part of a strategic plan. The Strategy and Money Alignment Readiness Tool (SMART) and handbook, developed by the League of American Orchestras and available through the online Knowledge Center at [americanorchestras.org](http://americanorchestras.org), offer a useful framework for deciding on the appropriate scope and scale of capital structure according to an organization's lifecycle stage, business model, and financial condition.

### **Financial Information**

To monitor the budget and raise good questions about the orchestra's financial condition, all board members need clear, useful information presented in an understandable format. Financial reporting should help board members—who may have varying levels of financial expertise—answer these questions:

- Is the financial plan consistent with the strategic plan?
- Is the cash flow projected to be adequate?
- Does the organization have sufficient reserves?
- Is the organization regularly comparing its financial activity with what it has budgeted?
- Are the organization's expenses appropriate?

- Does the organization have the appropriate checks and balances in place to prevent errors, fraud, and abuse?
- Is the organization meeting guidelines and requirements set by its funders?<sup>18</sup>

Regular financial reports enable the board to monitor the implementation of the budget and the financial status of the orchestra. The full board should receive data in two forms: monthly or quarterly internal financial statements comparing actual to budgeted income and expenses and showing comparative figures for the same period of the preceding fiscal year, and a narrative summary of the most important financial information. The board also reviews year-end audited financial statements, which include a statement of financial position (balance sheet), a statement of activities (income statement), a statement of cash flows, and often a statement of functional expenses.

### Managing Investments

Providing for sound management of the orchestra's investments—including restricted funds, cash assets, and sometimes endowment funds—is the final piece of the board's financial responsibilities. The board must ensure that the orchestra applies prudent investment practices to receive the maximum return on its assets. Either the finance committee or the investment committee is charged with supervising investments, but the full board should be well informed through regular financial reports.

The board has three broad responsibilities for managing investments: adopting investment policies, screening the investment advisors it retains, and regularly reviewing investment performance. A written investment policy describes the orchestra's investment goals, establishes the risks it is willing to take to achieve them, and guides and protects the investment advisor by setting practical guidelines and performance objectives. An investment policy also establishes a spending policy that supports both current and future obligations.

## **Legal Integrity and Ethics**

Nonprofit organizations are held to a high standard of public accountability in our society. Board members are ultimately responsible for the orchestra's compliance with federal, state, and local laws and for its adherence to a high standard of ethical conduct in all areas of operations, including the operations of the board itself.

An orchestra board can best maintain oversight in legal and ethical matters by carrying out its responsibilities thoroughly and efficiently. Good intentions and conscientious board service should be accompanied, however, by a system of checks and balances designed to avoid legal and ethical problems:

- Be aware of and comply with federal, state, and local laws that affect the orchestra.
- Have a thorough knowledge of the orchestra's organizing and operating documents and policies, including the articles of incorporation, bylaws, Form 990, investment procedures, and personnel policies, and ensure that they are up to date and in accordance with current laws.
- Require full and accurate information about the orchestra's finances and administration—including an annual independent audit—in keeping with the board responsibilities described in this chapter.
- Require detailed meeting minutes and committee reports that officially record actions taken and decisions reached.
- Develop a policy statement on board ethics that addresses conflict of interest, fiscal management and fundraising, and personnel issues.
- Include discussion of ethical standards and legal liability in all board orientation programs.

Orchestra boards should be especially aware of the potential for intermediate sanctions, which are penalty excise taxes imposed by the Internal Revenue Service on a tax-exempt organization found to have engaged in so-called excess benefit transactions. Executive compensation is a vulnerable area, so the board must ensure that it meets IRS legal standards when setting compensation for the chief executive and the music director.<sup>19</sup>

### ***Establish Artistic Direction***

Establishing an orchestra's overall artistic direction is a collaborative effort of the board, the CEO, and the music director—increasingly, with the involvement of the musicians. Orchestras are moving toward artistic profiles that are deeply informed by their local contexts. As they seek a blend of art form, artistry, and audience and community expectations, their artistic direction and leadership have wider opportunities for expression through new norms of concert presentation, programming, and roles of musicians.

Artistic direction expresses the fundamental character of the orchestra and relates to its organizational vision, but connects specifically to artistic product, artists, and community. It encompasses decisions about what the Australia Arts Council describes as artistic vibrancy: artistic quality, audience engagement and stimulation, a fresh approach to the preservation or development of the art form, nurturing and development of artists, and community relevance.<sup>20</sup> The board's role is to ensure that the orchestra's leadership consistently and effectively pursues its artistic direction. The music director, as the artistic leader, is responsible for developing repertoire and programming, as well as for selecting the musicians. As the League's study of innovation in orchestras noted, however, “the unquestioned vesting of complete power and authority in a single artistic leader is becoming a thing of the past.”<sup>21</sup>

### ***Select and Support the Chief Executive Officer and Music Director***

Leading an orchestra in today's environment, whether from the executive office or the conductor's podium, requires a passion for the orchestra's vision and goals and the capacity to make decisions—often difficult ones—that embrace the music, the audience, and the orchestra's long-term financial sustainability. The presence of strong, dynamic administrative and artistic leadership is a distinguishing factor of an excellent orchestra. These two leaders must be innovators and comfortable with risk. They must be committed to organizational vitality and success. And they must know how to engage everyone—board members, staff, musicians, donors, volunteers, and civic leaders—in the orchestra's vision.

Boards also involve other constituencies in this important responsibility. Musicians, staff members, and community members all bring unique perspectives, and they need to feel ownership in the selection of the chief executive officer and music director and invested in these leaders' success. In some orchestras, the CEO selects the music director; in others, the choice is considered part of the board's overall responsibility for artistic leadership and direction.

### Conducting the Search

Before the search begins, the board should review the orchestra's strategic plan, which will provide insights into the personal characteristics, artistic abilities, and professional skills the next CEO or music director will need. The board should then set priorities for the position for the next several years, and develop a clear job description that outlines realistic, achievable responsibilities for the position as well as the relationships of the CEO and music director to the board and to one another.

The search process can be time-consuming and demanding, but when the resulting choice is the best possible leadership for the orchestra, the time and energy will have been well spent. A search committee chaired by a board member and comprising knowledgeable, committed, and respected individuals carries out the search, which is a confidential process, and recommends a candidate to the full board. The committee should represent all parts of the orchestra, including the staff and musicians, who can provide valuable insights to aid in the selection process. In a music director search, the CEO should work closely with the search committee; in the CEO search, the music director should be closely involved. The committee may decide to work with an executive search firm that will help to articulate expectations and responsibilities, identify and assess candidates, and help make an appropriate selection.<sup>22</sup>

The League's *Music Director Search Handbook* recommends diverse representation on the search committee for a music director: "Each of the major constituents of the organization [should] be represented on the search committee: the orchestra, the board, and the community. That way you'll have the expertise and wisdom that are needed, and your committee will be a broad and strong group of supporters for the incoming music director."<sup>23</sup> Other parts of the organization—staff, volunteers, key donors, community, and audience—also have opportunities to participate, though they do not have voting rights.

### **Creating a Supportive Working Climate**

The board's responsibilities do not end with the selection and hiring of the CEO or the music director. A climate of support and trust is essential to the orchestra's organizational health and artistic quality. New leaders are most successful when the board invests time in the transition, beginning with the creation of shared leadership goals—artistic or administrative—that are based on the orchestra's vision and priorities and connected to its strategic plan. Clarity of roles is especially important, with the board keeping its focus on governance while establishing consistent and productive interaction with the CEO and the music director. Board members may be reluctant to interact regularly with the music director because they feel they lack the expertise to venture into the artistic realm. But the music director can be invited to board meetings to talk about current projects and let board members know what he or she needs from them to be effective.

Regular constructive feedback should be provided during the transition—usually by the board chair—with the intent of strengthening certain areas of the CEO or music director's performance, or as praise for exceptional work. Board members should make sure that both the CEO and music director are welcomed into the community and introduced to community leaders. The board should also make it possible for them to engage in activities that benefit their professional growth and development.

### **Evaluating Performance**

The board is also responsible for evaluating the performance of the CEO and the music director, a responsibility that usually falls to the executive committee. A formal review is designed to provide constructive suggestions that will enable the CEO or music director to do his or her job effectively. The sole purpose should not be to determine a salary increase or make a decision about contract renewal, but to have a candid discussion of both parties' views of the success of the working relationship. A schedule and general criteria should be established upon hiring. The review should be conducted regularly, ideally on an annual basis.

Evaluation of the CEO can be a straightforward process, such as this one:

- Self-evaluation by the CEO
- Feedback from staff who report directly to the CEO and from some board members (a 360 review may be appropriate)
- A meeting with the CEO to provide verbal feedback on the information gathered, led by the board chair or by the chair and a small group of board members
- A written report on feedback for the CEO's human resources file
- Written objectives for the coming year developed by the CEO and approved by the board chair

Boards frequently ignore the evaluation of the music director because they believe it falls outside the scope of their experience. But even in orchestras with a strong music director, effective artistic leadership extends beyond music. The board's assessment of the music director can measure these factors:

- Setting a long-term strategic artistic vision
- Executing the work by presenting products and offerings, new and old, that meet the highest artistic standards
- Leading artists by motivating musicians and a variety of collaborators to contribute their best efforts to both content and process
- Inspiring the entire organization by working closely with the executive leadership team and with the board to align institutional practice and artistic vision
- Acting as the orchestra's ambassador in the community by building partnerships and raising funds<sup>24</sup>

When performance reviews consistently reveal discrepancies between expectations and performance, the board may decide that dismissal is in order. Employment agreements or contracts should specify the terms and conditions of dismissal. The decision to replace the CEO or music director should only be made after careful consideration of the board's legal and contractual obligations.

***Be an Ambassador and Advocate***

As civic leaders with professional, political, and social ties across a community, board members have a powerful ability to articulate an orchestra's public value with conviction and enthusiasm. Their commitment to the orchestra and their involvement in the community make them knowledgeable about both the orchestra and the people it serves. They can emphasize how their orchestra advances civic priorities, champion the presence of music in their communities, bridge gaps in understanding, make an orchestra and its music feel accessible to more people, and link their organization to others in beneficial community partnerships. "Advocacy is simply communicating the importance of your mission to others," according to BoardSource, "and helping others understand how larger issues or decisions in your community are impacting your organization, its work, and the community you serve."<sup>25</sup>

One purpose of board advocacy is to stimulate broad awareness of an orchestra's unique public service to the community. It can include formal activities such as giving a talk to a community group, inviting local government officials to attend a concert as a guest, meeting with education leaders, or simply talking informally about the orchestra's latest artistic and education programs in social and business settings. As arts and cultural institutions continue to struggle with indifferent public perceptions, advocacy is especially important.

Board members can also make their voices heard on specific issues affecting orchestras and the arts. Across the country, they are active in the national movement to restore arts education to public schools. Through the League, they work on an array of public policy issues that affect orchestras, from income tax reform to rules for carrying musical instruments on airlines to visa processing for foreign guest artists. On the local level, they build awareness of the benefits of music education and galvanize action to improve music education in local school districts. Orchestra board members are also active leaders and citizens of the local and national arts communities, joining coalitions to strengthen their effectiveness as advocates. The League's Advocacy and Government Affairs department provides extensive resources at [americanorchestras.org](http://americanorchestras.org) to support advocacy efforts by orchestras and their boards.

Boards also have an internal advocacy role as champions of community engagement, audience inclusiveness, and community programs. When setting strategic direction, the board is a collective voice for both artistic excellence

and broad community engagement. Tension between engagement and excellence does exist in some orchestras. There are board members and others who may consider the community role an example of “mission creep” that diverts scarce resources from music and artistic excellence. If those beliefs are not voiced and discussed, there will be an undercurrent of dissension within a board. The board chair, in collaboration with the CEO, should bring conversations about audience and public value to the surface. In simple terms, a board that is unwilling to consider the community as a significant driver of strategic direction puts financial sustainability—and even the orchestra’s overall viability—at risk. Every board member, and every prospective board member, should have a passion for music, dedication to creating public value, and the willingness to advocate for both as essential to organizational success. It is not an either-or proposition.

### ***Provide Board Education***

Effective governance depends on having a culture of learning. Beginning with orientation for new board members and continuing with ongoing educational opportunities and thorough board information, developing a knowledgeable board is a vital board practice.

#### **Board Orientation**

Carefully planned and presented orientation will give board members a clear understanding of board roles and practices: individual and collective responsibilities, relationships to the staff and musicians, and the way the board does its work. It is also a valuable opportunity for learning and dialogue about the orchestra’s strategic direction, its needs and challenges, and its place in the community and the wider orchestra field. New board members need an in-depth orientation program, but orientation should begin even earlier, during cultivation and recruitment, so that candidates understand what the job involves. Orientation is a process, not an event, writes leadership consultant Maureen Robinson: “We should assume that it will take a full year for a board member to grasp the detail as well as see the underlying depth of the organization’s life and the board’s work.”<sup>26</sup> Successful orientation will instill enthusiasm and interest in new board members so that the learning process will continue long after the formal program has ended. All board members need regular review sessions that encourage them to clarify their responsibilities, expand their knowledge of the orchestra, and renew their commitment to board service.

A concentrated orientation for new board members, held before they attend their first meeting, may range from a few hours to a day or more, depending on the number of people involved and the extent of information to be covered. Participants usually include the board chair, CEO, music director, and other members and staff. Orchestras structure their board orientation in various ways, but generally it focuses on these essential topics:

*The Orchestra*

- Mission, vision, values, and strategic direction
- Organizational structure and staff
- Artistic policy, program, and personnel
- Education programs
- Community engagement initiatives
- Key community partnerships
- Volunteer programs and functions
- Budget and finance
- Major funders and donors
- Development plan and board fundraising role
- Audience characteristics, trends, targets, and impact on budget
- Marketing practices and impact metrics
- Performance, rehearsal, and office facilities

*The Orchestra Board*

- Orchestra governance in the nonprofit context
- Board structure
- Board responsibilities and individual board member job descriptions
- Board self-assessment practices
- Board communications, including an introduction to the online board portal
- Board engagement expectations (meetings, advocacy, fundraising, events, and programs)

### ***The Orchestra Field***

- Dimensions of the field
- Current issues facing orchestras
- Current issues in music education
- The role of music and orchestras in civil society
- Arts policy issues and board advocacy

The program should be thorough enough to provide adequate information, but participants should not be overwhelmed with lengthy presentations. A board handbook—ideally available with other board information through an online portal—complements the orientation program and becomes the board member's official guide to the orchestra and to his or her duties.

Social interaction is an important part of orientation because it ultimately enhances board effectiveness and productive working relationships. As part of orientation activities, board members could take a behind-the-scenes tour of the performance space, observe an education program, or enjoy a concert together.

### **Ongoing Board Education**

A board culture that values and promotes continuous learning supports the board's capacity for sound planning and decision-making. The decision to serve on the board carries a commitment to be a well-informed board member, always looking to learn more about the orchestra, the issues affecting it, its community, and the broader orchestra field. Some board education is independent learning, but board leaders and the CEO should also develop learning opportunities for the full board. Options include educational activities incorporated into board meetings, board retreats for exploring issues in depth, and conferences and webinars on nonprofit and orchestra governance, arts advocacy, or music education. Educational sessions can help board members focus on critical issues such as capital structure and long-term sustainability, the orchestra's community context and community engagement as an organization-wide value, or strengthening board members' fundraising skills. Conversations with the music director during board meetings or retreats give the board greater insights into the orchestra's artistic direction. Inviting musicians to reflect on the season's repertoire or their involvement in community programming is a mutually beneficial way of involving them in the board's work.

### Board Communication

Successful boards establish regular, efficient communications with board members—ideally through an online board portal or other electronic method—to keep them informed and inspired. Board members need to be engaged in current orchestra issues, prepared for meetings, and equipped with background information for decision-making. At a minimum, boards need regular updates from the board chair and/or the CEO; consistent access to dashboard reports for monitoring key performance indicators; and clear, concise material on board-related business sent to board members at least a week in advance of each regular meeting.

Online board portals are efficient sharing and collaboration tools that streamline access to board books, meeting documents, calendars, and other important board information. Dedicated board portal software can be tailored to the board's needs, or boards can develop their own lower-cost solutions using a combination of file-sharing systems and tools such as the Google Apps suite.

### Individual Board Member Responsibilities

An orchestra board works as a collective body, making decisions on the orchestra's behalf and providing the leadership that drives it toward fulfilling its mission. But the whole board is only as effective as the sum of its individual members. One of the best measures of an effective board, says Maureen Robinson, "is the extent to which board members feel they are all equally engaged in the work of the board."<sup>27</sup> The quality of the board's leadership is a blend of board members' diverse experiences, personal qualities, and leadership styles, all focused on a common vision.

In addition to the collective responsibilities described in this chapter, each orchestra board member has individual responsibilities centered on active, involved participation and serious attention to their legal and fiduciary responsibilities as part of a decision-making body. Two related points are especially worth making about board service. First, it requires time. Most boards are filled with people who have busy schedules, but effective boards have members who stay focused on their commitment to the many aspects of governance, beyond simply showing up for board meetings. Second, it requires learning.

Board members need to understand the orchestra's audience impact, economic challenges, complex organizational structure, and much more in order to do their jobs well.

Every orchestra should make its expectations known to individual board members—before they agree to join the board. A written job description should outline both collective board responsibilities and individual expectations in four areas: board business, continuous learning, engagement and advocacy, and finance and development.

### **Board Business**

The business of the board is carried out in regular meetings, committee meetings, and special gatherings such as retreats and orientation programs. Each individual board member should be an informed and involved participant in all of these activities. Attendance is not enough. Although some members will always be more active in discussions than others, full and open dialogue that brings out a variety of viewpoints is important to the strategic thinking that is so crucial to a dynamic and effective board. A strong board president will lead productive meetings, but individuals, too, have an obligation to make substantive contributions.

Effective participation in board business includes the following tasks:

- Be actively involved in board meetings, committee meetings, retreats, and other board events.
- Prepare thoroughly for meetings by reading the agenda and background material.
- Practice strategic thinking by staying focused on the big picture, not day-to-day details.
- Respect the experience and abilities of the CEO and music director, and observe the distinction between governance and management.
- Put the interests of the orchestra before individual interests. Vote according to informed personal belief, but support the majority decision wholeheartedly.
- Suggest agenda items for board and committee meetings, and offer ideas to make meetings substantive and informative.

- Suggest prospective board members to the nominating committee.
- Influence the organization largely through policy formation, engagement in strategic dialogue, monitoring performance of the CEO, and supporting the institution philanthropically.
- Volunteer for and willingly accept committee assignments and other requests for involvement.
- Avoid the potential for actual or apparent conflict of interest.
- Participate actively in board member orientation, including refresher sessions for current members.
- Participate actively in board evaluation, including an honest self-assessment of personal contributions to the board's work.

### ***Continuous Learning***

Continuous learning enhances a board member's effectiveness. Board members can be active learners in these ways:

- Be knowledgeable and enthusiastic about the orchestra—its artistic goals, repertoire, educational programs, audience, and community.
- Understand the scope of the arts in the community, the orchestra's place in the local arts landscape, and its role in the larger civic context as shaper of and contributor to civil society.
- Learn about the capabilities and needs of the rehearsal and performance space and office facilities.
- Know the quality of the orchestra in a context larger than the immediate community, and know the consistency of its performance.
- Be informed about the type and quality of the orchestra's repertoire.
- Take an active interest in issues and developments in the orchestra field and the external challenges and opportunities that affect the orchestra and the larger profession.
- Understand the basic principles of nonprofit leadership and management, and keep up to date on current thinking in the field.

## ***Engagement and Advocacy***

Effective board members are active advocates in the orchestra's mission, vision, and values and avid participants in all of its programs.

- Be a season subscriber and attend as many orchestra concerts and special programs as possible. Attend public programs and community events.
- Get out of the boardroom to engage with staff and musicians. Get to know key staff members and members of the orchestra.
- Cultivate relationships with board members of other orchestras, informally and through attendance at conferences.
- Be an advocate for the orchestra in your professional, community, and personal lives.
- Invite people who are not regular concertgoers as guests to concerts.
- Attend social events involving the orchestra.
- Get to know board colleagues, and mentor new board members.

## ***Finance and Development***

Individual board members can contribute to the fiscal oversight and fundraising capabilities of the full board by making a commitment to:

- Read, understand, and ask questions about the orchestra's financial statements.
- Make careful and informed decisions about management of the orchestra's assets.
- Take an active part in development activities by soliciting gifts directly and by introducing others to prospective donors.
- Make an annual personal gift to the orchestra.
- Participate in fundraising and cultivation events.

**Essential Concepts for Boards**

Values, vision, and mission are more than formalities. They drive strategic planning, focus the board's work, spark board meeting thinking, form the language of advocacy, and support fundraising.

Strategic planning is not a linear, finite process, but part of a cycle of thinking and learning that includes implementation and assessment.

Boards need information, coaching, and support to overcome their fear of fundraising and reach their potential for connecting the orchestra with donors.

As a systemic part of strategic planning, understanding capital structure becomes a key financial oversight tool.

Boards are powerful advocates for the orchestra's public value.

# Engaging the Board

**A** board's collective and individual responsibilities are the substance of its work: the legal imperatives and leadership principles that define nonprofit governance. But understanding the details of governance, while much more than just an academic exercise that makes boards feel competent, is just the beginning. Effective governance happens when the board's culture—the ways it does business together—invites active board member engagement in ideas and processes and ultimately in mission and vision. Board members move beyond competence and participation, and as a result the board becomes a strong strategic asset to the orchestra.

This chapter explores five ways to invest in developing and engaging the board: find the right people for the board, design an efficient board structure, make board meetings productive, increase fundraising comfort levels, and make assessment a priority.

## **Find the Right People for the Board**

Having the best people on the board is fundamental to good governance, because the makeup of the board influences its commitment and capacity. Each board will find its own ideal mix of board members. And a board's requirements will change over time to reflect the organization's strategic direction, the current board makeup, and the gaps in expertise to be filled.

Board members who are passionate about music, believe deeply in the orchestra's importance to the community, or have both of these qualities are likely to be most engaged in board service. A diverse board (see page 50) contributes multiple perspectives and stimulates innovative solutions to the orchestra's issues. A suitable combination of professional expertise complements the staff's capabilities in areas like community relations, finance, communications and marketing, technology, education, fundraising, investment management, legal matters, and institutional planning.

A board's composition will also be determined in part by its need to function efficiently as a working group. Governance is teamwork. Individual personalities obviously have an impact on the board's culture, but orchestras are best served by people who will always put its interests before their own. In some cases, an individual member may dominate a board by figuring largely in every aspect of the board's work, while in others, an individual will have such narrow interests that his or her participation is limited. Neither situation is acceptable, and both can be avoided by considering the style and temperament of prospective board members in relation to the working dynamics of the board and the needs of the orchestra.

Essential qualities for members of an orchestra board include

- Love of music
- Basic understanding of the principles of nonprofit governance, management, and finance
- Belief in community engagement as an organizational value
- Commitment to the board's fundraising expectations
- Willingness to engage in enthusiastic advocacy for the orchestra
- Understanding of the time and expertise required of board members

Some board members will have a more thorough knowledge and understanding of music than others. Open-mindedness, enthusiasm for learning, and strategic thinking skills are all valuable individual qualities to have in board members. Board members must be able to listen to and value differing opinions while discerning what is best for the orchestra. Leadership potential must also be considered, because every board should be looking to its future and planning for board leadership succession.

### ***Board Diversity***

Diversity across an orchestra—board, staff, and musicians—speaks to its values. Diversity in governance is an essential driver of change as orchestras seek to show public benefit, stimulate authentic and diverse community engagement, and take an expansive view of repertoire. Bringing people with a broad range of viewpoints and experiences together in the boardroom can inspire the board to explore fresh ways of thinking and try different options for addressing challenges.

Diversity and inclusion are significant issues for nonprofit boards, whose members are overwhelmingly white (80 percent, according a 2014 BoardSource survey), male (52 percent), and over 50 years of age (57 percent).<sup>28</sup> While more than one-half of boards have well-intentioned policies and practices in place to support diversity in recruitment, functional inclusion—engaging board members from diverse backgrounds in board culture and dynamics—can be more difficult. “Meaningful diversity,” says BoardSource, “requires having different voices and faces around the board table and creating a culture of inclusion.”<sup>29</sup>

Significant change in board diversity requires strong leadership and persistent effort from the governance committee, the board chair, and the CEO to address the structural inequities that make diversity a persistent problem. The critical step is to begin, even if change happens in small increments. The James Irvine Foundation has studied the qualities of arts organizations that make diversity a priority and found that achieving meaningful and sustainable board diversity—as well as staff and audience diversity—is “not unlike making new friends. It takes intention, curiosity, flexibility, and time. It also takes realizing that we can’t make new friends without being changed by the experience.”<sup>30</sup> A statement on diversity, crafted with the involvement of board, staff, and musicians, is the foundation (see sidebar).

### **Sample Diversity Statement, League of American Orchestras**

#### **Rationale**

The League believes that the inclusion of a broad range of experiences and perspectives will strengthen our organization by prompting us to react and think differently, approach challenges and solve problems differently, and seek new opportunities. We believe that superior organizational performance requires tapping into a variety of life experiences and perspectives.

For orchestras to remain vital, they must be authentically diverse institutions—onstage, on staff, and in their governance. It is essential that orchestras in the 21st century become organizations that contribute and connect to the overall quality of life of our diverse communities.

#### **Definition**

For the League of American Orchestras, achieving diversity means affirming the inclusion and involvement of a broad representation of our community reflecting its true make-up, including race, ethnicity and cultural background, gender, sexual orientation, age, socio-economic status, disabilities, education, geography, and religion.

### **Commitment**

Achieving diversity in our organization and our field requires commitment from the leadership at all levels. This commitment must extend over time, with an understanding that achieving diversity is an ongoing process. Therefore the League pledges to:

- Promote diversity within our board and staff
- Promote greater understanding of, and respect for, diversity in our member orchestras
- Help orchestras advance their work in the area of diversity and inclusion, including audience, orchestra and staff personnel, repertoire, young artists, boards, and governance practice

Conversations about diversity can be challenging, but they are necessary for moving the board to act on its expressed intentions. No single approach works in every community and for every orchestra. BoardSource's Diversity in Action Assessment Tool helps board leaders set change in motion by developing a board diversity action plan.<sup>31</sup> Since orchestras (like many nonprofits) typically recruit board members from familiar professional and social networks, expanding the pool of diverse candidates is a necessary first step. Professional and civic organizations with diverse memberships are a potential resource. Orchestras can also tap into programs that match prospective board members with organizations, especially those that help identify diverse leaders. Examples include programs offered by local Arts and Business Councils, such as Phoenix Arts and Business Council's Diversity Leader Search, and broader nonprofit efforts, such as Toronto's DiverseCity on Board and the board diversity initiative offered by Cleveland's Center for Nonprofit Excellence.

## ***Board Cultivation and Recruitment***

Identifying and cultivating prospective board members is an ongoing effort that involves the full board, led by its governance committee. Recruitment should be based on the board's current needs in light of the orchestra's strategic direction. These needs may emerge from board self-assessment, which can reveal gaps in knowledge and expertise, or they may be clarified during a strategic planning process. Developing a board diversity plan also helps solidify recruitment goals. Engaging every board member in identifying prospects and cultivating their interest gives the governance committee a wider pool of candidates. The CEO will also have especially useful insights into the type of candidate who could best serve the orchestra.

Board recruitment is a challenge for many nonprofit organizations. The demands of board service can discourage busy individuals from joining boards. Episodic volunteering is growing in popularity and may make it more difficult to attract a younger generation of board members who prefer short-term commitments. Orchestras that expand their recruitment methods beyond their familiar networks enhance their opportunities to find the best board members. Good sources of board prospects continue to be businesses, local government, professional and civic organizations, educational institutions, and the orchestra's volunteer group.

## ***Term Limits***

The traditional view of term limits holds that they are a good way to revitalize boards through regular turnover. Restricting the number of consecutive terms a member can serve also helps prevent stagnation and provides a respectful exit strategy for nonperforming board members. Many orchestras, however, take a different view. Term limits may interrupt the involvement of some valuable board members at critical periods for the orchestra. Others may lose interest or move on to other organizations during mandatory hiatus periods. And term limits may be an easy way out when dealing with lackluster or difficult board members, when candid assessment and nonrenewal of the individual's term are a better alternative. (See page 59.)

**Board Cultivation Checklist**

- Introduce the orchestra to potential board members through personal conversations with current board members, an invitation to attend a concert or special event, or an opportunity to observe a program.
- Be explicit about the expectations of board service. Do not minimize the commitment involved in board meetings, committee work, fundraising and personal giving, advocacy, and other board member responsibilities.
- Talk about the orchestra's priorities, goals, and challenges and about the board's role.
- Learn about the prospective board member's personal and professional interests, and ask what he or she would most like to contribute to the board and the orchestra.
- Describe the ways current board members have contributed their knowledge and expertise to the board's work.
- Explore actual or potential conflicts of interest that might arise.
- Be open to questions, and respond with candor.

**Design an Efficient Board Structure**

Traditional board structures center around committees that are designed to support the board's work and focus more deeply on specific issues and priorities. Board committees also are a learning opportunity and proving ground that help to identify and develop future board leaders. And they are effective ways to channel board members' special interests and utilize the full range of their expertise and knowledge in focused ways. Streamlined committees are becoming common board practice, with the number often reduced to standing committees that deal with core elements of board business. Larger organizations tend to have more committees.

Every committee should have meaningful, purposeful work to do with demonstrated value for the board. This statement may sound obvious, but without careful thought about committee structure, boards can err in the direction of committee overload and committee member burnout. Expectations and responsibilities should be outlined in clear committee descriptions.

Most boards have executive, governance, finance, and development committees. The *executive committee* recommends actions to the full board and has the authority to act on its behalf between meetings or in urgent situations. This committee includes the board chair and officers, and sometimes key committee chairs and other members. The role of the executive committee continues to be debated in the nonprofit world,

with advocates pointing out that it facilitates decision-making and opponents believing that excessive executive committee authority leads to an organization dominated by a few board members. Some boards narrow the executive committee's role to focus on specific functions, such as the CEO's performance review. Others—particularly smaller boards—decide to eliminate the committee altogether. Most orchestras do have executive committees, however. Because orchestra boards are often large, the executive committee tends to conduct more business. Care should be taken not to preempt or undermine the conviction or engagement of the entire board.

The *governance committee* may also be called the nominating committee, with a broad, ongoing responsibility for overall board effectiveness. Its role spans board composition, recruitment, development, assessment, and leadership succession planning. The *finance committee* ensures the orchestra's fiscal health through financial oversight and communicating information to the full board. This committee may also oversee investments. It is sound practice to form a separate audit committee or task force to review the annual audit independently of the finance committee. The *development committee* plans board involvement in fundraising, working closely with the development staff. Orchestras often have *artistic policy committees* that consult with the music director on strategies for achieving artistic objectives. Musicians often serve as voting members of this committee.

To keep committee structure simple:

- Limit the number of standing committees to the bare minimum, and supplement them with a few less permanent task forces or work groups for short-term or special projects.
- Make sure each committee has a significant amount of ongoing and important work to do. Disband them when they do not.
- Keep the committee structure, except for the description of the executive committee, out of the bylaws to ensure that committee powers are limited. Consider including a phrase in the bylaws that says the board may establish and disband committees as needed to support its work.<sup>32</sup>

## Make Board Meetings Productive

Meetings are a collective, tangible opportunity for the board to practice what it exists to accomplish: effective governance. The frequency and length of board meetings depend on the board's and the orchestra's needs—often enough to carry out the board's responsibilities, but not so often that meetings are inefficient use of board members' time. How the board uses committees to get its work done—especially the executive committee—will also affect meeting frequency. BoardSource reports that 44 percent of organizations serving a local area, such as orchestras, meet ten or more times a year.

The guiding principle for board meetings is to make them productive and meaningful. These practices help to maximize board engagement:

- **Spend time on what matters.** Issues related to oversight and accountability certainly require board meeting time. But discussion that strays into the operational realm usually does not. Focus instead on strategic issues related to mission, vision, values, strategic direction, and financial oversight. Many boards use a consent agenda to group routine matters that require board action but not deliberation. The board votes on the consent agenda first and then moves on to substantive issues.
- **Prepare board members.** Provide clear, concise background information, including the agenda, committee reports, financial information, and information about issues for discussion. Aim for quality over quantity. Well-written and carefully selected background materials hold the attention of busy board members, while too much information can fail to inspire thorough preparation—or end up unread. Consider sharing information through an online board portal or a password-protected website.
- **Ask the right framing questions to promote dialogue.** What problem are we solving? How does it relate to our mission? How does the problem affect our orchestra? What external and internal issues affect the resolution of the problem? Governance experts Richard P. Chait, William P. Ryan, and Barbara E. Taylor refer to this as *generative thinking* and call it a powerful tool for boards and organizations.

- **Promote positive group dynamics.** Board members should feel comfortable with raising questions, asking for more information, and expressing concerns and differences of opinion. Positive dynamics promote the tolerance of ambiguity that is part of constructive dialogue, allow more information to surface, and lead to better decisions. A skilled board chair will pay attention to the issues that affect group dynamics: board members who rarely contribute to meetings, try to control debate, fail to prepare or show up, or whose behavior generally disrupts and distracts the group.

### **Increase Fundraising Comfort Levels**

Successful fundraising requires information, training, coaching, and support. Some board members are most effective at face-to-face fundraising and others prefer to play a supporting role, but every board member should participate in a meaningful way. Many of the governance principles addressed in this chapter support the board's fundraising capacity. Board members will be better fundraisers if they are fluent in mission, vision, and values; adept strategic thinkers; active advocates for the orchestra; and engaged in learning about the orchestra and about governance. Understanding nonprofit fundraising best practices gives board members a context for what is expected of them and why.

Organizations can build their board members' fundraising skills and comfort level through practice and feedback. Introduce role-playing to practice different scenarios with other board members—including the dreaded negative response from a potential donor. Involve experienced board members as mentors. Less-experienced board members can learn from observing their more skilled colleagues. Begin with a simple request with no dollar amount attached. Practicing solicitation techniques is good preparation for a more specific request.

Having a clear fundraising strategy for the orchestra goes a long way toward making fundraising a purposeful experience that board members feel confident about. Susan Howlett writes that when an organization's direction and goals are poorly defined, board members cannot see how their participation fits in or matters: "The problem is not the board, but the lack of a coherent development strategy... Their natural reaction is to shut down, refuse to participate, or resort to unsuitable tactics."<sup>33</sup> The solution is investing in sound planning and best practices.

## Make Assessment a Priority

Board self-assessment is a tool for learning and improvement. A substantive review of the board's collective performance against accepted standards of board effectiveness ultimately contributes to the overall health of the organization and the vitality of its leadership. It provides an opportunity for internal reflection on the board's responsibilities and practices, strengthens board teamwork, and points out governance areas that need improvement. Choosing a self-assessment process is not as difficult as finding the time and commitment to carry it out. The governance committee is the best board vehicle for assessment, with active leadership from the board chair and the CEO.

### **Board Assessment**

BoardSource recommends a comprehensive self-assessment of the full board every two to three years. Many boards show reluctance if not resistance to the idea. The most recent national index of board practices from BoardSource showed that 29 percent of nonprofit organizations had never done an assessment, revealing that quite a few boards are neglecting this important aspect of accountability and learning. Self-assessment is constructive, not disruptive. In organizations that had done a formal board assessment in the past three years, CEOs reported "higher-performing boards, better board orientation, and greater board engagement."<sup>34</sup>

Many resources are available to guide structured self-assessment, including the League of American Orchestras' *Board of Directors Self-Assessment Tool*.<sup>35</sup> Tailored specifically to orchestras, it is designed give a board insights into performance, strengths, and areas needing improvement. The online survey addresses these topics:

- Mission
- Strategy
- Funding and public image
- Board composition
- Program oversight
- Financial oversight
- Executive and music director supervision

- Board structure
- Meetings
- Individual board member assessment

Insights gleaned from assessment are most useful when they become part of a continuous loop of feedback and improvement in governance practices. After completing an assessment, the full board should discuss the results and consider changes that would make their work more productive—increasing board education on particular topics, devising ways to improve board participation, or developing more comprehensive board information, for example. Beyond formal self-assessment, ongoing feedback keeps the board focused on effectiveness. Some boards dedicate brief periods during meetings to discuss focused questions about board processes and responsibilities: Are we addressing issues that matter in board meetings? Do we feel well prepared to cultivate donors? Is board information content and delivery effective? Others use board retreats for facilitated discussions of governance issues and practices.

### **Board Member Assessment**

Self-assessment gives individual board members the opportunity to reflect on their contributions to the work of the board, their personal goals for board service, and their satisfaction with the board's performance. The results also help the board learn whether individuals are receiving the support and information they need to be good board members.

The governance committee coordinates the process, which can take a variety of forms; what works for one board may not be the best choice for another. The components generally include a brief self-assessment questionnaire based on the board's written statement of responsibilities and expectations, followed by a conversation with the board chair (or the chair and members of the governance committee) to discuss the responses. Feedback from this process gives the board member positive reinforcement of effective performance as well as constructive advice about areas that need improvement. Individual assessment is also the most straightforward way to address nonperformance. The board chair may then either create a plan for personal improvement or simply thank the board member for his or her service and close the door on the possibility of another term.

**Essential Concepts for Boards**

Effective engagement begins with finding the right people to serve on the board.

Achieving meaningful board diversity is a challenging, incremental process that is essential to organizational performance and vitality.

Prospective board members need to know that board service is a substantial commitment with serious expectations and accountability.

Board culture and group dynamics are critical to board engagement and effectiveness.

# Resources for Orchestra Boards

## **Noteboom Governance Center, League of American Orchestras**

The League's Noteboom Governance Center, [- Regional seminars for board members and CEOs
- Board chair peer groups focusing on top-level governance and strategic challenges
- Peer exchange and learning sessions at the League's National Conference
- Noteboom Governance Center Grants for Board Development
- Online resources, e.g., links to publications and toolkits](http://americanorchestras.org>Noteboom</a>, offers a comprehensive range of resources, support, strategies, and programs designed to strengthen governance practice in orchestras, including but not limited to</p></div><div data-bbox=)

## *Effective Orchestra Governance: A Guide for Boards*

<http://americanorchestras.org/governanceguide>

A downloadable, digital version of this book, published by the League of American Orchestras in 2016 and written by Ellen Hirzy with Lowell Noteboom and David Nygren

## Orchestras' Guide to Ethics and Accountability

<http://americanorchestras.org/board-members-volunteers/the-governance-center/guide-to-ethics.html>

Resources for developing ethics policies, accountability standards, and best practices

## Board of Directors Self-Assessment Tool

<http://americanorchestras.org/board-members-volunteers/the-governance-center/assessment-tools/board-self-assessment-tool.html>

Developed in partnership with BoardSource and customized for orchestras.  
An assessment tool identifies areas of strength and opportunities for growth

## Board Diversity in Action Assessment

<http://americanorchestras.org/board-members-volunteers/the-governance-center/assessment-tools/board-diversity-in-action-assessment-tool.html>

BoardSource tool that covers five areas to determine a board's phase of development in relation to diversity and inclusion.

## RESOURCES

### **General Resources**

All can be accessed through [#### Diversity and Inclusion Resource Center](http://www.americanorchestras.org>Noteboom</a> or the specific URL below.</p></div><div data-bbox=)

<http://americanorchestras.org/learning-leadership-development/diversity-resource-center/best-practices-in-orchestras-arts-organizations.html>

Practical insights, advice, and a path to greater diversity and inclusion in every part of your organization

#### Making the Case: Advocacy Resources

<http://americanorchestras.org/advocacy-government/making-the-case-advocacy-resources.html>

Background materials and talking points for effective board advocates

#### Public Value Toolkit

<http://americanorchestras.org/advocacy-government/public-value-toolkit.html>

A collection of data points and storytelling guidelines to help orchestras communicate community impact

#### *Symphony*

<http://americanorchestras.org/symphony-magazine.html>

The League's quarterly magazine featuring articles on critical issues for American orchestras and "Board Room," a regular column on board-related questions and concerns

#### SMART: Strategy and Money Alignment Readiness Tool

<http://www.americanorchestras.org/learning-leadership-development/finance/smart.html>

A framework and handbook to help an orchestra understand its current financial health and align its mission with available resources

#### Your Orchestra, Your Community: Roadmap to Success

<http://americanorchestras.org/board-members-volunteers/the-governance-center/assessment-tools/your-orchestra-your-community-roadmap-to-success-assessment-tool.html>

Designed by orchestras for orchestras eager to reach out and make a difference to their community's future as well as their own; includes a civic engagement tool, podcasts, and videos of civic engagement in action

## eBooks and Reports

Kahn, Polly. *American Orchestras: Making a Difference for Our Communities.*

Animating Democracy Trend Paper, Americans for the Arts (2014)

[http://animatingdemocracy.org/sites/default/files/Orchestras\\_TrendPaper.pdf](http://animatingdemocracy.org/sites/default/files/Orchestras_TrendPaper.pdf)

Opportunities for orchestras to meet their vision and growing sense of responsibility to contribute to the collective vitality and health of communities while adhering to a core mission of sharing orchestral music

Oliver Wyman, in partnership with the League of American Orchestras. *Reimagining the Orchestra Subscription Model* (2015)

<http://americanorchestras.org/knowledge-research-innovation/audience-engagement/reimagining-the-subscription-model.html>

A study showing how American orchestras can meet their challenge to retain subscribers and meet revenue needs by exploring methods used in other industries (e.g., retail, grocery, and fitness) that build “stickier” relationships with customers

Saydak, Roger. *Music Director Search Handbook* (2012)

<http://www.americanorchestras.org/conducting-artistic-programs/music-director-search-handbook2.html>

For boards and administrators, a guide to organizing the search committee, evaluating candidates, identifying candidates, and selecting the new music director

Sparks, John D. *Best Defense: A Guide for Orchestra Advocates* (2013)

<http://americanorchestras.org/advocacy-government/making-the-case-advocacy-resources/best-defense-a-guide-for-orchestra-advocates.html>

A guide to lobbying public officials on behalf of orchestras, designed for board members, staff, volunteers, musicians, and donors and audiences

Tepavac, Lela. *Fearless Journeys: Innovation in Five American Orchestras* (2010)

<http://americanorchestras.org/knowledge-research-innovation/innovation-and-technology/fearless-journeys-innovation-in-five-american-orchestras.html?task=view&id=405123>

A League publication that analyzes cutting-edge approaches to administrative/artistic organization, community partnerships, and artistic initiatives at five American orchestras

## BoardSource eBooks

BoardSource publishes a number of concise and authoritative resources to promote good governance. Through a partnership with BoardSource, the League of American Orchestras provides its members with access to a rotating list of free downloadable booklets on various aspects of governance. Sample titles include *Financial Responsibilities of Nonprofit Boards* and *Informed Fundraising: an Introduction and Guide*. The current booklets can be downloaded at the League’s Noteboom Governance Center: [www.americanorchestras.org/Noteboom](http://www.americanorchestras.org/Noteboom).

## RESOURCES

### **Other Nonprofit Governance Resources**

#### **BoardSource**

Learning Center, <https://boardsource.org/eweb/dynamicpage.aspx?webcode=BDSOnlineStoreLanding>

#### **Bridgespan Group**

Nonprofit Boards, <http://www.bridgespan.org/Publications-and-Tools/Nonprofit-Boards.aspx>

#### *Chronicle of Philanthropy*

Publication and web content, <https://philanthropy.com/>

#### **National Council of Nonprofits**

Boards and Governance, <https://www.councilofnonprofits.org/tools-resources-categories/boards-and-governance>

#### **Nonprofit Finance Fund**

*Nonprofit Finance 101*, <http://www.nonprofitfinancefund.org/nonprofit-finance-101>  
*Online Financial Health Assessment for Arts & Culture Nonprofits*, <http://www.nonprofitfinancefund.org/online-financial-health-assessment-arts-culture-nonprofits>  
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# About the League of American Orchestras and the Noteboom Governance Center

**The League of American Orchestras**, <http://www.americanorchestras.org>, leads, supports, and champions America's orchestras and the vitality of the music they perform. Its diverse membership of more than 2,000 organizations and individuals across North America runs the gamut from world-renowned symphonies to community groups, from summer festivals to student and youth ensembles, from conservatories to libraries, from businesses serving orchestras to individuals who love symphonic music. The only national organization dedicated solely to the orchestral experience, the League is a nexus of knowledge and innovation, advocacy, and leadership advancement. Its conferences and events, award-winning *Symphony* magazine, website, and other publications inform people around the world about orchestral activity and developments. Founded in 1942 and chartered by Congress in 1962, the League links a national network of thousands of instrumentalists, conductors, managers and administrators, board members, volunteers, and business partners.

The League of American Orchestras' **Noteboom Governance Center**, <http://americanorchestras.org/Noteboom>, offers a comprehensive range of resources, support, strategies, and programs designed to strengthen governance practice in orchestras, including regional seminars for board members and CEOs, board chair peer groups focusing on top-level governance and strategic challenges, peer exchange and learning sessions at the League's national Conference, and Noteboom Governance Center Grants for Board Development.

The Noteboom Governance Center was created in recognition of former League Board Chair Lowell Noteboom, honoring his longstanding commitment to improving governance practice in American orchestras. The Center is supported by leadership gifts from Richard and Kay Fredericks Cisek, The Clinton Family Fund, Marcia and John Goldman, and the Sargent Family Foundation.

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## Notes

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