2019 Governance Review
Summary of Recommendations

This presentation from the Wikimedia Foundation and Taylor Strategic Partnerships (TSP) sets out TSP's recommendations for [The Wikimedia Foundation](#) Board.
(Note that TSP is currently undergoing a name change to Board Veritas / BV.)

Background: Regular Board Governance Review

Consistent with best practices and as part of its regular course of business, the Wikimedia Foundation Board of Trustees has determined that from time to time it will conduct a review of its governance documents, procedures and practices. United States nonprofit organizations routinely engage in such reviews and usually handle them through the appropriate board committee in consultation with other board members and key staff—and, as appropriate, with other stakeholders and outside experts. In this case the Foundation's Board Governance Committee (BGC) recommended engaging an outside consultant with expertise in the governance of U.S. nonprofits, including those having international operations and internationally diverse boards. The engagement of an expert consultant was undertaken in part to enable a more comprehensive comparison with other not-for-profit boards.

The Foundation Board Chair and CEO hired Taylor Strategic Partnerships ("TSP" in this presentation, but undergoing a name change to Board Veritas / BV) to conduct the 2019 Foundation governance review, which included the administration of a Board Self-Assessment (BSA).

Background: Methodology and BSA Results

TSP's methodology included review of materials, observation of board meetings, and interviews with Trustees, former Trustees, key staff and members of the community. The Trustees also completed the Board Self Assessment (BSA), a governance tool developed by [Boardsource](). The BSA is a highly regarded non-profit sector standard used previously by 950 organizations. TSP's overarching recommendations are set forth here. They were reviewed with the Board for discussion and action.

The Boardsource BSA captures how well Board Trustees and the CEO think the Board is meeting multiple responsibilities within four broad categories: People, Culture, Work and Impact. The BSA then compares that self-assessment to the average self-assessments of all boards that have taken the BSA. When compared to those averages, the Wikimedia Board assessed itself to be significantly weak in the following areas: board composition (e.g., having the right people on the board, cultivating a pipeline of diverse candidates); meeting effectiveness (e.g., right prep, appropriate mix of discussion vs. presentation); culture (e.g., board dynamics and relationships, exercising collective leadership); some aspects of mission, vision and strategic direction (e.g., calibrating the appropriate level of program oversight to be strategic and fiduciary, and not granular and operational); and CEO oversight (providing the CEO with clear guidance, open discussion and feedback on both guidance and performance). The Foundation Board gave itself high marks on other responsibilities, such as financial oversight and impact (e.g., Board's connection to organization's overall effectiveness).

TSP's own observations confirmed the low performance assessment in the areas where the Board gave itself low marks. TSP recommends significant actions the Board can immediately take to address its identified weaknesses.

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Goals of the Engagement

- Increase the Board's effectiveness in fulfilling its governance responsibilities
- Uncover areas where the Board is materially challenged or significantly underperforming relative to comparable peers
- Better leverage the talents and skills of trustees, collectively and individually, in service to the Foundation's mission and strategic goals
- Identify opportunities to improve the effectiveness of Board/staff interactions

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Summary of Recommendations

- The Foundation should work collaboratively (through a Board-staff partnership) to clarify its role and ensure that that role fulfills the Board's legal and fiduciary obligations to the Foundation as required under governing U.S. law, and that it integrates best practices. That work should also include clarification of any role the Board takes with regard to the Movement. This is all the more important because Foundation and Movement strategies, objectives and priorities may differ at times, and the role of the Board must be made clear to the Trustees themselves, to the Foundation, and to the community.

- Organizations of this complexity, reputation and structure require trustees who have sophisticated business knowledge, acumen and a critical understanding of executive leadership to best understand the nature and requirements of the chief executive role and be a strong partner to the CEO.

- The organization has a chief executive who, although highly talented, does not have sufficient staffing infrastructure. The excessive workload for the CEO has resulted in some cases in competing priorities and insufficient time and resources focused on some very important matters facing the organization. The Board needs better oversight and the CEO's office requires additional staffing.

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Recommendations

1. Clarify and document the respective authorities, responsibilities and interactions between the Foundation, the Board, and the Movement in relation to one another.

Best Practices to Consider	Next Actions
● The organization's remit and mission is broadly communicated, understood, and embraced by the board, staff, users, and other key stakeholders ● The organization's core activities are memorialized in writing and mutually understood by CEO and board ● The organization's goals are tightly integrated into leadership decision-making and performance measurement	● Delineate and memorialize the roles, activities, responsibilities, accountabilities, and authorities of the Foundation, the Board, and the Movement relative to one another ● Structure the above work as a highly-focused multi-day retreat or a series of deep-dive conversations. Establish a task force to steer and oversee the process ● Consider new staff roles and/or advisory groups to address evolving Community & policy needs

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2. Clarify the Board's and CEO's authorities and responsibilities

Best Practices to Consider	Next Actions
• Board member and CEO responsibilities, accountabilities, and authorities are clearly delineated • Board concerns itself with strategic governance, not operational delivery • Board members receive uniform training and development, including in-person trainings, webinars, conferences • Board committees are aligned with the organization's strategic priorities and functioning with clear terms of reference and accountabilities	• Clarify which authorities the Board delegates to the CEO, including who has final say on key decisions • Review/revise trustee and CEO job descriptions to ensure alignment with the organization's needs • Require all trustees to read: *Ten Basic Responsibilities of Boards* and *Chief Executive Transitions* • Review the delineation between CEO/Trustee responsibilities with all incoming trustees

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3a. Improve the nomination and onboarding process for trustees; incorporate more executive skill sets in board composition

Best Practices to Consider

- Board maintains a visual map of its members' talents and expertise and uses it to identify board skill gaps

- New recruits are sought to fill gaps in skill sets, knowledge, traits and experience aligned with the organization's current and upcoming challenges

- Board composition contains a blend of expertise and skills aligned with the organization's mission and needs

- New board members receive formal orientation on roles & responsibilities as well as board norms & practices

- All trustees receive ongoing support and development to fulfill their duties

- Trustees perform their roles as defined and in accordance with good governance practices

- Governance Committee enforces boundaries and holds trustees accountable for adherence to the values and norms of the Foundation and its mission

- Board conducts a self-assessment every two years to identify areas for improved performance and measure progress made toward previous goals

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3b. Improve the nomination and onboarding process for trustees; incorporate more executive skill sets in board composition (continued)

Next Actions

- Identify skills and expertise required to successfully address the Foundation's strategic plans and risk findings
- Revise Trustee and officer/chair job descriptions to reflect desired expertise. Diversity of many kinds and personal characteristics should also be considered
- Add minimum qualifications for Trustees, such as leadership and prior board experience
- Create a skill map of existing Trustees to identify gaps between current and desired state
- Consider increasing the size of the Foundation Board as needed to attract desired capabilities and relieve pressure of overload on current Trustees.

- Consider previous committee chair experience and domain expertise, as well as potential impediments to service, such as available time, when appointing board chairs
- Extend chair and officer terms to three years
- Evaluate the efficacy of the existing board election and recruitment processes to attract high-fit trustees with necessary skills, time and diversity, and make recommendations for improvement
- Evaluate efficacy of the current board orientation process
- Commit to periodic Board development, starting with required reading, *Governance as Leadership*.
- Create and enforce an ethics policy that sets a high standard for behavior for all trustees to follow

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4. Commission a stakeholder analysis to expose and address instances where goals and priorities of the community and the Foundation may be at odds

Best Practices to Consider	Next Actions

Best Practices to Consider

- Organizations conduct a stakeholder analysis to understand the interests of each stakeholder and strategize on how to address them
- Boards utilize this tool as part of their duty to assess and mitigate the organization's programmatic and strategic risks, as well as its viability
- Stakeholders often include employees, board members, members of the broader relevant community(ies), funders, partners and the public.

Next Actions

- The Foundation should commission a task force or third party to conduct a thorough Stakeholder Analysis
- Analysis should be designed to identify and address stakeholders' varying, even potentially competing objectives and priorities
- Board and Executive Leadership should develop accountability and protocols for fairly—and wherever possible, transparently—handling stakeholder complaints (while respecting legal requirements, personal privacy or instances when disclosure could put individuals or communities in danger)

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5. Build upon trust and improve communications between Board and CEO

Best Practices to Consider	Next Actions

Best Practices to Consider

- Board has a highly effective and cohesive relationship with the CEO. Board and CEO communicate consistently and productively
- Board and CEO communicate the right level of information to the right audience at the right time
- Board/CEO communications enable the organization to function as an integrated team
- Communication to the CEO is usually funneled through the board chair (or committee chairs, where appropriate).
- Board/CEO communications include opportunities for two-way dialogue

Next Actions

- Board Chair/CEO should:
  - Maintain 1:1 meetings to discuss accomplishments, deliverables, and emergent internal and external issues/challenges
  - Discuss potential agenda items for upcoming board meetings, including informational requirements, timelines and prep materials
  - Commit to "no surprises" candor and transparency in all Board/CEO communications
- Board must evaluate the CEO's and its own performance on an annual basis

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6. Improve strategy and program oversight

Best Practices to Consider	Next Actions
- Board establishes desired outcomes, goals and measures to support the organization's strategic plan - Board approves, monitors, and evaluates the strategic plan and financial budget for alignment with the organization's mission and Key Performance Indicators (KPI)s - Board ensures deliverables outlined in the strategic plan are achieved - Board monitors organizational performance against KPIs on an ongoing basis	- Establish and monitor a high-level board dashboard and/or scorecard including notes from staff on performance against goals and targets with an explanation for instances where goals and targets are not met or are exceeded. - Establish a plan of action and a budget for each objective and monitor them on a quarterly basis. - Conduct individual trustee evaluations annually, helping to enable trustees to improve their performance - Incorporate organizational performance assessment into CEO's annual performance review.

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7. Develop detailed, mutually-agreed yearly performance targets and measures for the CEO

Best Practices to Consider	Next Actions
● CEO receives an annual performance review featuring well-defined tasks, objectives, goals, and self-assessment	● Establish desired outcomes, goals, measures and targets for CEO to achieve. (Ask CEO to draft and present to Board for discussion/approval)
● CEO's performance objectives are linked to the strategic/operating plan	● Ensure targets are tied to long and short-term strategic goals
● Benefits to board: clear expectations enable the Board to communicate candidly with CEO about valid issues, and to recognize and affirm a job well done	● Use SMART (Specific, Measurable, Achievable, Realistic, Timely) goals framework
● Benefits to CEO: clarity on priorities and performance measures helps CEO focus and what's most important and ensures their professional growth receives proper attention	● Set a firm timeline for the CEOs performance evaluation process
	● Informally exchange opinions about CEO performance throughout the year

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8. Encourage a culture of inquiry that fosters robust discussion and the open exchange of ideas

Best Practices to Consider	Next Actions

Best Practices to Consider

- Board/CEO communications allow for 2-way dialogue
- Board uses Key Performance Indicator (KPI) data to make informed decisions
- Disagreement and conflict among board members should be allowed and harnessed constructively to highlight different ideas and diverse perspectives
- The board and organization see change as a strategic imperative and apply healthy skepticism
- Board members are engaged, actively participate and share and exchange ideas

Next Actions

- Develop Board Culture Statement specifically defining and exemplifying a culture of inquiry
- Encourage open discussion of ideas and issues in an engaging and cohesive environment
- During board meetings, Chair should:
  - encourage balanced participation
  - allow for well-rounded discussions before a vote
  - ensure decisions are clear and explicit, by vote or consensus, to avoid misunderstandings
- Devote ~50% of board meeting time to discussion
- When absent or recused, Chair should appoint a skilled facilitator
- Suggested reading: *Culture of Inquiry*

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9. Develop a risk management policy to effectively oversee Foundation risk exposure

Best Practices to Consider	Next Actions

Best Practices to Consider

- Board sets tone for risk management and awareness for the organization
- Board takes a leadership role in providing input and counsel into risk management policy and process
- Board continuously reviews the planning and outcomes of risk management efforts
- Senior staff job descriptions include risk management responsibilities
- Senior staff bear overall accountability for risk management, while board performs active oversight

Next Actions

- Conduct regular risk assessments that detect organizational liabilities and present ways to manage them
- Audit Committee should take the lead

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10. Improve board meeting effectiveness

Best Practices to Consider	Next Actions

Best Practices to Consider

- Board meetings are thoughtfully planned, facilitated, and participative with focused deliberations that result in strong, strategic decisions after appropriate "problem framing" has been accomplished
- Board meeting processes are well-documented and subject to periodic review to reflect best practice
- Information and management reports are circulated to the board ahead of time; board receives all relevant information to properly execute duties
- Board decisions are thoroughly documented and monitored closely for implementation

Next Actions

- Rewrite Board agendas to focus on critical issues first; allow adequate time for discussion
- Create a board meeting calendar identifying themes to be covered at meetings throughout the year
- Provide shorter, more actionable board packages; mark each item Informational; For Discussion; or Decision Required
- Devote <50% of board meeting time to reporting
- Deal with personal agendas via robust conflict-of-interest policies or other interventions
- Chair actively facilitates meeting to ensure all voices around the table are heard

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11. Develop a succession plan for the CEO

Best Practices to Consider

- Board is accountable for building and driving the succession process
- Board ensures leadership development and recruitment plans are in sync with long-range succession plans for key executive positions
- Board ensures adequate mentoring and professional development opportunities exist for rising leaders within the organization

Next Actions

- Write a formal succession plan with specific responsibilities for how tasks will be divided and structured between the Board, CEO and Chief Human Resource Officer, or other execs as appropriate
- Create an "emergency plan" for CEO succession and socialize with all trustees and top officers in the organization
- Require exposure to top management candidates through Board briefings, informational contacts and informal discussions
- Create a succession orientation for the incoming CEO
- Discuss succession planning at least once per year

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Suggested Priority Next Steps

- Commission a stakeholder analysis and/or utilize a task force to gain a full understanding of instances where goals and priorities of the Movement/community and the Foundation may vary or be at odds, so that these can be properly addressed by the board and CEO in partnership, utilizing community input.

- Extend current term to three years for Board officers and committee chairs to promote ownership of governance reforms and stability

- Increase size and capabilities of the board – keeping to an odd number total - to incorporate critical executive leadership skills and capabilities necessary for an entity of this complexity and scope.

- Hire a full-time Board Liaison or similar position at the Foundation (reporting to CEO)

- Create a board education and accountability plan, including the use of third-party trainers, to bridge knowledge gaps and ensure accountability and compliance (Governance Committee)

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