



iQuestions Faculty, Jack Herschend

Question:

How do I reward board members?

Answer:

For rewarding board members, of course the first thing that comes across is a paycheck. That's important, from the standpoint of just being fair, in terms of the hours and days that a person is going to spend on a for-profit board.

But far more important than the compensation is the reward of knowing that you're making a contribution, you're making a difference, you're serving in an effective way.

So, it's up to the president, it's up to the CEO and the chairman to really stop and think about what each board member has contributed. Notes, telephone calls afterwards, different ways of saying, "Let me tell you specifically what you did for us in that board meeting, when you asked that tough question." Or, "Here's what I heard you say that is going to make a real difference in the way we treat our people."

Whatever the contribution is needs to be fed back, so that the board member gets the satisfaction of knowing that he or she is really serving in an effective way.