Who's the Boss? The Board or the Executive?

There is an abundance of advice for nonprofit boards and EDs that speaks to the advantages of "partnership" and "open communications." But sometimes that advice just doesn't feel like enough.

Who's the boss? The board or the executive director/CBO?

The answer: it depends on whether the board is acting as a body, or whether board members are acting as individuals. The key is remembering that the board is different from board members.

It's not the board president who hires the executive director; only the board as a whole can do that. The treasurer doesn't approve the budget; the board as a whole does that. In other words, when the board is acting as a body, it is the boss. The executive is answerable to that body.

On the other hand, when board members act as individuals, they typically work at the direction of staff. At a special event, board members show up and ask staff, "Where do you want me...the registration table? the silent auction?" The fundraising manager gives a list of five people to each board member for fundraising calls... and then checks a week later to see if they've been called.

Imagine a board chair walking into the executive's office to see him sitting at his desk. "You need a better desk and chair," she says. "The ones you have are terrible!" the executive smiles and says, "Thank you for your advice, Madame Board Chair! But this desk and chair are fine with me."

In this last example, a board member is giving advice (or a directive disguised as advice) as an individual. She does not speak with the authority of the full board. In contrast, if the board had voted that the executive get new furniture, he would be required to do so.

What to say back

If you're the executive director, you may be unintentionally confusing things. If a board member says, "It must be hard having 13 bosses," don't just nod and enjoy the sympathetic gesture. Say, "I have 13 advisors, but luckily only one boss: the board." If a board member inappropriately tells you do something (such as "You can't put X in the budget for next year, don't argue. Just say cordially, "Could you send the board finance committee a note about that with a cc to me?"

If you're a board member, send out little snippets of guidance occasionally. For example, you might email the ED: "I'm dead set against the proposal to change the organization's name. But I know it's a decision for the full board, not just mine." Or, at a board meeting you might say, "These are all good suggestions, but let's allow our executive to see this discussion as advice from which she'll make a decision."

This simple clarification -- that the board is the boss but board members are not -- goes a long way towards clearing up confusion and tension. By reinforcing this notion whenever you can, you will help your board and executive a great deal.

Jan Masakoka is the publisher of Blue Avocado and the author of Best of the Board Cafe Second Edition: Hands On Solutions for Nonprofit Boards (http://www.amazon.com/The-Best...
Who is Responsible for the Board Doing a Good Job?

Despite the importance of the nonprofit board, there’s strikingly little clarity about who is responsible for its performance. The answer in this Board Cafe article might surprise you:

Who is responsible for the board’s doing its job? And a related question: who’s responsible for improving a board that’s asleep, weak, or gone amok? One answer might be: the board is responsible for the board! Or possibly, it’s the board chair who is responsible for the board. Or sometimes; it’s both.

We agree with Peter Drucker: The responsibility for the board’s effective work -- both governance and support -- is ultimately the responsibility of the executive director.

This can sound paradoxical (or even depressing) at first, but veteran successful executives know the truth of this statement. Executives take on their shoulders the responsibility for the success or failure of the organization -- every part of it. If there were any other part of the organization that was under-performing, no executive would shrug, do nothing, and blame the program director or the administrative director. The executive would act to improve performance.

In a similar way, if the board is doing its job under its own leadership, the executive director can simply support that leadership. Let’s look at the possible combinations of strong/weak boards and CEOs.

First let’s take the situation where there’s an engaged board with strong board members working with a strong executive director/CEO. In such an instance, the question of “who is responsible” may not even get asked. Shared responsibility comes naturally. The executive director may find herself both supporting and leading the board, engaging them in strategic decision making, while at the same time the board challenges the executive, tests plans with rigorous inquiry, and engages the executive in strategic thinking.

Mismatched dancing partners?

Next let’s consider the organization with a strong board and a weak executive. Board members may begin with guidance and constructive feedback, provide an executive or fundraising coach, or even trying to compensate for the executive’s weaknesses themselves. But over time, a strong board will remove the weak executive. In fact, Daring to Lead 2006 (http://www.compasspoint.org/compassnet/goodies), a national study of nonprofit executives, found that one-third are either fired or forced out of their jobs: evidence that boards take action when they see problems.

But what if there’s a strong executive director, and a weak board? In this situation, board members typically aren’t anguishing about their non-performance; in fact they may feel that “things are going fine and there really isn’t that much for us to do.” On the other hand, the executive is likely to feel unsatisfied with the board and wish they were “engaged” or raising money, but may console himself with the idea that, after all, they aren’t getting in the way. These are the executives who find themselves muttering, “How can they tell me how to do my job, when they can’t even take responsibility for getting a quorum.” Or even, “I just don’t see the point of the board if they’re not going to raise money.”

These are the cases — remarkably common — where the question arises: just who is responsible for the board anyway?

The successful executive director holds himself or herself accountable for every part of the organization, and that means being accountable for the board as well. The
question becomes: "What can I do to improve the functioning and leadership of the board?"

Changing the board

CEO actions to change the board's behavior may include having a heart-to-heart talk with the board chair. It may mean spending only a little time with the current board and instead focusing on recruiting new, effective board members. Some executives hope to change boards by bringing in a consultant to tell them what they "should" be doing; such efforts are typically futile or even create resentment from board members. Instead, successful executives face up to changing their own behavior and prioritization of time in order to improve the board. We even know one executive who asks herself every day at noon: "What have I done today to strengthen the board's ability to lead?"

But isn't the board ultimately responsible for the organization's effective work? Yes, and to take the paradox one step further: part of the board's evaluation of the executive director should include the performance of the board. To reference Peter Drucker again, the board can say, "We are giving you poor marks for our performance." Nearly all boards recognize that a good relationship between the executive and the board is crucial, but fewer take the logical step of holding the executive (as well as themselves) accountable for that relationship being productive for the organization, not just cordial.

Even for those executives who resent and blame a non-performing board, there are really only two choices: expect them to change on their own (unlikely), and figure out how to change them (even if you don't think you should have to). And there are really only two ways that CEOs can be effective at changing boards: by changing who is on the board, and by changing how she as the CEO works with the board. Neither can be neglected.


See also:

- What's the Point of a Nonprofit Board Anyway? (http://content/what-point-nonprofit-board-accord)
- The Board Builds Its Sense of Self; Body-Building for Boards (http://content/board-build-itself-self-body-building-boards)

Comments

One way boards can be rejuvenated is by recruiting board members who are mostly interested in governance issues. They need not have deep expertise in the nonprofit's mission, they just have to be sympathetic. But if you're lucky they'll start to turn things around. They'll ask strange questions at board meetings, such as "do we have a list of criteria for recruiting board members?", "what's the point of these standing committees?", or (most direct question of all) "how does being on this board make the organization better?"

I'd advocate for recruiting for governance skills first, then going on to the other stuff that boards need like financial literacy, fundraising skills, etc. It can be really hard for long-serving board members to get fired up about fundraising and fundraising unless they have a strong sense that the board is enthused about the mission. And it won't be until it understands what it's supposed to do.

Of course, someone actually has to recruit the first new governance board member. And that someone will have to be the ED. But then I think that EDs are much more likely to have encountered people skilled in board governance than your regular board member will have. Even if the recruitment is for a couple of years, it can have an inspiring effect.

- submitted by Patrick de Freitas on March 16, 2010 at 07:19:19 PM.
What is Micromanagement and What Isn't?

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Micromanagement: whatever the board is doing that the executive director doesn't like. :) From an executive director: "The board is micromanaging! They're driving me crazy!"

And from a board member of the same organization: "Every time we make even a suggestion the executive director flies off the handle and accuses us of micromanaging! Aren't we supposed to be guiding and leading?"

Why, we might say that "micromanagement" is whatever the board does that the executive director doesn't like. For example, let's imagine a board reviewing a budget that has $10,000 included for lighting fixtures. Some board members don't see the point for new fixtures at all, but the executive director believes the expense is important — for giving a positive sense of the organization to visitors, and for supporting staff desire for better light. And the ED also feels that office equipment purchases are staff decisions, and that interference by the board is micromanaging.

Who's right? If only there were a measuring stick that would make scientific decisions. The unexpected, hidden reason for micromanagement is a lack of confidence in the executive.

Imagine you are supervising two grantwriters. One gives you a great first draft, and you tell him: "Make these couple of changes and send it off." The other gives you a terrible first draft, so you say to her: "Make these changes and let me see the next draft." She protests: "Why do you have to see two drafts me but only one from the other grantwriter? You're micromanaging me!"

The answer (of course) is that when we have confidence in someone we step back and let them do their job. (Sometimes boards have so much confidence in their executive directors that they step back all the way off the map.) When we lack confidence, we step in closer. And closer.

Board members typically don't get much direct evidence on whether they should gain or lose confidence in the executive director. So if the board packet is sloppily put together, the budget wasn't controlled last year, or thank-you letters to donors were late, board members start to step in closer.

Frequently individual board members are all over the map in terms of what kind of oversight they think is appropriate. And sometimes there's a board member who, out of sync with the rest of the board, wants to take every decision up to the board level.

Remembering that while the board chair is not the individual supervisor of the executive, he or she MUST organize the board so that the executive is not beset with conflicting orders. A simple way (often useful temporarily) is for the board chair to act as a gatekeeper between the executive and board members, deciding what should come to the board and what shouldn't. But because the board as a whole OVERSEES the executive and board-staff relations, the board as a group should review the gatekeeper decisions to bring the board into alignment on the level of confidence in the executive. In short, the board as a whole "draws the line," not any one board member.

In short, if, as an executive director, you think the board is micromanaging, ask yourself and the board chair what signals the board is getting to make them wonder about your ability to lead and manage the organization. Tackle the real issue — such as budget control or donor recognition — rather than argue over whether the purchase of light fixtures is a...
board or a staff decision. Pick your battles — picking the ones that are meaningful, not symptomatic. And don’t forget to give the board direct feedback too, by saying, “I appreciate the confidence you have in me as demonstrated by your agreement that this decision was a staff decision,” or “Is this impact to my eventual overall or are you saying this is a board decision?” Or “Since you’re questioning a decision I think is a staff decision, should we take a look at the board’s overall assessment of my performance?”

Jan Masaoka is editor of Blue Avocado, and author of Best of the Board Cafe (http://www.blueavocado.org/productdetail.cfm?CatNo=5890 &ProductID=34074&Quantity=&Category), a field guide for nonprofit boards. She is currently on the board of New America Media (http://www.newamericamedia.org/), a national network of ethnic newspapers, magazines, radio and television stations. She is more interested in microbreweries than in micromanagement.

See also in Blue Avocado:

- Who is Responsible for the Board Doing a Good Job? (http://blueavocado.org/content/who-is-responsible-for-the-board-doing-a-good-job)
- What’s the Point of a Nonprofit Board, Anyway? (http://www.blueavocado.org/content/whats-the-point-of-a-nonprofit-board-anyway)

Comments

As an ED, I agree that trust is important, but I would not be satisfied with the chain of accountability that is described here.

A board that has clearly stated ends which describe on whose behalf the organization exists, what difference it will make on their behalf, and at what cost can then lay out the means of accomplishing those ends. In Policy Governance, it's done through limitations. That is, the board states what means cannot be used to achieve the ends. This allows the board to ensure its concerns are addressed while not limiting the creativity of the ED. The board may have more or less detail in these policies, depending on how much power they, with one voice, choose to give away.

The ED then reports on each policy on a schedule. For example, a policy outlining the executive limitations for staff relations may state that the ED shall not fail to pay all employees in a timely manner. The ED reports annually on this policy about how he/she is or is not in compliance with the policy.

These reports are what is used to judge organizational performance and, by extension, the job performance of the ED. The ED is clear about the board's expectations, and policies cannot be changed without consent of the board.

There are also policies for the board's process which are monitored regularly by board members.

I'm not trying to sell Policy Governance. It's just the clearest system of monitoring organizational performance that I have found. Any system that offers clear direction to the ED in a written form and lays out a clear and logical chain of accountability and insists the board speak with one voice will make micromanaging a non-issue.

— submitted by Anonymous on November 16, 2010 at 02:42:39 PM.

Is the "Carver Method" an example of "Policy Governance"?

— submitted by Anonymous on November 18, 2010 at 05:45:57 AM.