The Dance in the Boardroom: Board and Staff Relationships
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The Org Chart Matters

Understand and honor the organizational model.

- The "traditional" organizational chart is based on **the military model** with a **hierarchical chain** of command

Based on the Model, define what is appropriate Board/Staff interaction

- The **Executive Director** hires, monitors, evaluates, and (if needed) terminates all other staff members and program volunteers.
- The Executive Director is the primary contact with, and **liaison between, staff and Board.**
- **The Board manages the Board,** but needs varying kinds of support from the Executive Director over the course of the organization's development.
- The**Board**, through an intentional process of identification, cultivation, recruitment, and orientation.

To avoid "Trivial Pursuits", a governing Board focuses on five functions:

- o Oversight and Ensuring Accountability (to law, tax code, community expectation)
- o Acquiring Resources – Financial (fundraising!), expertise, influence
- o Community Representation within the organization (bringing the external "Voices" to the management of the organization)
- o Ambassador (representing the organization in the community)
- o Planning for growth and change (strategy, human resources, facilities, funding)

What kind of dance? _____

Scenarios: Board/Staff Relationships

Decide if each of the following scenarios are Acceptable (Not a Cause for Concern), Definitely Cause for Concern or a Grey Area (it'd be okay if...)

1. Board members serve on a committee to hire a new Program Director.

☐ *Acceptable/Not a Cause for Concern* ☐ *Definitely Cause for Concern* ☐ *Grey Area*

2. The receptionist calls a Board Member to complain that the Executive Director rated them unfairly on the last personnel evaluation.

☐ *Acceptable/Not a Cause for Concern* ☐ *Definitely Cause for Concern* ☐ *Grey Area*

3. A Board member calls the Administrative Assistant to say she has decided that the napkins at the upcoming fundraiser should be blue, not yellow.

☐ *Acceptable/Not a Cause for Concern* ☐ *Definitely Cause for Concern* ☐ *Grey Area*

4. The Program Director and a Board member have a conversation at the supermarket about progress toward starting a new program.

☐ *Acceptable/Not a Cause for Concern* ☐ *Definitely Cause for Concern* ☐ *Grey Area*

5. The Executive Director develops and implements a new policy governing vacation time.

☐ *Acceptable/Not a Cause for Concern* ☐ *Definitely Cause for Concern* ☐ *Grey Area*

6. The Executive Director identifies and recruits a new Board candidate, and the Board members happily accept the suggestion at the next meeting.

☐ *Acceptable/Not a Cause for Concern* ☐ *Definitely Cause for Concern* ☐ *Grey Area*

One Voice: Board Decision Making

- The Board only has authority when it **speaks together** (in other words, takes official corporate action though an adopted motion).
- **Discussion, questions, dissent** and concerns are part of each Board member's responsibility to act in the best interests of the organization.
- What happens in the Board room, **stays in the Board room**.
- When Board members volunteer in programmatic or support (non-Board) roles, the difference in those roles needs to be respected. The **"hats" are different**.
- A key role of the Board is to design and conduct an **evaluation process** of the CEO, allowing for input from each Board (and the staff in some cases, though this can be sensitive.
- The Board then must **set compensation** for the CEO, based on the budget and reasonable levels for the market and the merits of the individual.

What kind of dance? _____

- **Partnership Model**: Executive Director has a role in the development of policy, the determination of future direction, environmental scanning (assessing and responding to opportunities and threats) and should be encouraged in that role (even though they usually don't get a vote, their opinion counts).
- The Board is best focused on the "Why", or Outcomes, **the results the organization should be achieving.**

Partnership Model…a key role for the Executive

- "Framing the Question" and "filtering" information for the Board
- Recommending and developing policies for Board consideration
- Input on the determination of future direction
- Environmental scanning: assessing and responding to opportunities and threats
- Managing day to day operations
- Challenge: Where is the line?

Advanced: John Carver Policy Governance Model *www.policygovernance.com*
Defining and Evaluating the "Ends"—Strategic Focus
Executive Limitations – Thou Shalt Not…

'Rights' of Board Members

- Meaningful work
- Respect for Voice and Opinion
- Valuing talents, wisdom, and resources
- An environment where dissent is okay
- The chance to build skills and relationships
- Information: *Financial Reports, budget comparisons, Minutes of meetings (timely), the right information to make a good decision*

Fundraising without Fear!

Why are Boards essential to raising money?
- 100% Giving by Board members
- Community connections – opening the door, extending the network beyond staff
- Representing the organization with businesses, government, or foundations
- Validation of volunteer effort – "put your money where your heart is"
- Time and expertise are valuable, but doesn't pay the light bill!

Painless ways to get involved in Fundraising:

Host a party	Help with the Special Event
Direct ask (face-to-face with staff)	Planned Giving
Thank-a-thons	Meet with a foundation or corporate representative

What kind of dance? _____

Two kinds of planning:
- Emergency/contingency – the "hit by a bus" scenario. This is critical – do this ASAP. Who will be in charge? How will the relationship between the Board and staff be managed? What happens on Day 1? Day 30? Day 60?

- Long-term – developing internal leadership, and Board abilities to walk through a search process. How will we replace the expertise, relationships, and skill sets of the ED?

Why we don't do this kind of planning:
- The ED is reluctant to signal they are thinking of leaving.
- The Board doesn't want the ED to think they want the ED to leave.

Questions for Nonprofit Executive Transition Process

- What are our hopes and concerns for the transition to a new staff?
- How do we as a Board envision the future of our organization? Do we have a clear strategic plan and direction? If not, should we set one before embarking on this search, or wait until new leadership is found?
- What is the overall timeframe for the search and transition?
- What kind of person is our "ideal" candidate?
- Are the job descriptions and staffing pattern the "right" approach for where we want to go as an organization? Are revisions to job descriptions and/or staffing pattern needed? If so, how and when will that occur?
- Is compensation adequate to attract qualified candidates? What range of salary will be offered? What benefits will be offered? Will there be any support for moving expenses for out-of-area candidates?
- How will we manage communications with internal (staff, volunteer) and external (donors, clients/patrons/customers, media, partners, community) stakeholders to minimize uncertainty?

What kind of dance? _____

- ✓ Use "Staff Recommended Motion" following a position paper that outlines the key facts and considerations the Board must have in order to make a sound decision. This would be a starting point for the Board's consideration of their action on an item.
- ✓ Consider using a consent agenda that takes care of routine business (approving minutes and financials, committee and staff reports), with the ability to pull an item from the agenda for review. This can help the Board stay focused on the "big issues".
- ✓ The ED and Board chair/president should meet regularly outside the normal meeting cycle for lunch or coffee, to discuss the functioning of the Board/staff relationship, and deal with strategic or sensitive issues. As the next chair is identified and is 6 months or so from taking the reins, the outgoing and incoming chair should meet together with the ED.
- ✓ The Executive Director is justified asking for a clear direction—in the form of an adopted motion—to move forward on a particular business item.
- ✓ Executive Directors can ask for authorization, when appropriate, to develop a draft policy for Board consideration.
- ✓ Consider using a "Dashboard" approach to tracking finances, programs, fundraising, and other key metrics "at a glance".
- ✓ Consider explicitly setting "Executive Limitations" to define the Board's collective expectation of what the ED cannot do (besides illegal actions, of course).
- ✓ Begin the discussion about emergency/contingency transition, using this workshop as a "report back" from the conference.

MY ACTION PLAN

In the next month I will…

Over the next six months I will learn about…

Over the next year I commit to…

Nonprofit Resources on the Internet

Montana Nonprofit Association www.mtnonprofit.org
> Look for a variety of resources under the "Org Development" tab, especially the "Principles and Practices" section. Founded in 2001, the MNA is a membership organization that promotes a stronger nonprofit sector, a supportive public climate, and the ability of nonprofits to accomplish their missions.

BoardSource: www.boardsource.org
> BoardSource is a national nonprofit focused on the needs of governing boards. Click on "Knowledge Center" button across the top to see their various information sources including an FAQ section. Also has an online bookstore of Board-oriented handbooks and research, many of which are short reads that can be distributed to all Board members.
>> Responsibilities of Nonprofit Boards
>> http://www.boardsource.org/Knowledge.asp?ID=3.368
>> Responsibilities of Individual Board Members
>> http://www.boardsource.org/Knowledge.asp?ID=3.369

CompassPoint— Blue Avocado www.blueavocado.org and Board Café Newsletter Archives: www.compasspoint.org/boardcafe/archives.php
> Newsletter edited by veteran director Jan Masaoka, sharing wisdom and insights on a variety of nonprofit and Board governance issues. Subscribe for free or search the archives.

Alliance for Nonprofit Management FAQ Section: www.allianceonline.org/knowledgebase/index.php
> The national organization for providers of consulting and education services to nonprofit boards and managers.

Free Management Library: www.managementhelp.org
> Exhaustive management library of over 675 categories developed by Authenticity Consulting. Also includes free, online, nonprofit "micro-MBA".

Capaciteria: www.capaciteria.com/
> Searchable, peer-reviewed database of nonprofit resources, with over 100 categories.

Bob Harris' Nonprofit Center: www.rchcae.com/
> Downloadable library of quick "fact sheets" on a variety of nonprofit/association topics. One helpful example: Policy or Procedure? (scroll down on the left side bar)

Idealist Nonprofit FAQ: www.nonprofits.org
> A question/answer format organized into detailed category listings.

Guidestar: www.guidestar.org
> Guidestar makes the completed IRS Form 990's available to the public. Nonprofits can register at no charge and enhance their listing provided to funders, researchers, and the general public-a great free marketing tool.

Census information: www.factfinder.census.gov
> A great tool for program planning and grant development, with customizable information from the Census down to the city and zip code level.
> *Inclusion on this list does not imply endorsement of the content or opinions contained on the website.*

Nonprofit Resources in Print and Other Media

General Nonprofit Leadership:

Jim Collins – <u>Good to Great and the Social Sectors</u>: http://jimcollins.com/lib/articles.html# for excerpts from the monograph; full copies available from major online booksellers like Amazon.

> This short accompaniment to the business classic, <u>Good to Great</u>, applies Collins' theories and research models to the nonprofit and governmental sectors.

Judith Sharken Simon with J. Terence Donovan - <u>Five Life Stages of Nonprofit Organizations</u> www.fieldstonealliance.org

> The life stage model is a powerful tool for understanding—*objectively*—your organization's current status and preparing to move it ahead to the future. You'll learn about the very real challenges and problems facing your nonprofit at any given stage.   Includes self-assessment tools.

For Board Development and Education:

BoardSource: http://boardsource.org/, click "Books & Tools" across the top

> One of their short pamphlets, "Ten Basic Responsibilities of Nonprofit Boards" is an industry standard for Board education. Other resources include a Board assessment tool and guide, resources for Board and committee chairs, and videos to show at meetings.

Jossey-Bass Publishing: http://www.josseybass.com/WileyCDA/

> One of the most comprehensive publishers of books on nonprofit management. Click the "Nonprofit" link for books on boards, general management, leadership, and fundraising.

John Carver – Policy Governance Model of Boards of Directors: http://www.policygovernance.com/ (Book series available from Jossey-Bass, above)

> Carver debunks the entrenched beliefs about Board roles and functions that hamper dedicated Board members. With creative insight and commonsense practicality, they present a bold new approach to Board job design, Board-staff relationships, the chief executive role, performance monitoring, and virtually every aspect of the Board-management relationship.

Five Dysfunctions of a Team (and Boards), by Patrick Lencioni

> Book and video available at the Flathead County Job Service in Kalispell, 427 First Ave. East
> For use by Board teams: The Five Dysfunctions of a Board: See www.boardwalkconsulting.com, click "Resources" on the top bar, then select "BoardWalk Templates and tools"; scroll down to the bottom and click the link for "The Five Dysfunctions of a Board")