

RICK MOYERS



---

**THE NONPROFIT  
CHIEF EXECUTIVE'S  
TEN BASIC  
RESPONSIBILITIES**

SECOND EDITION

BoardSource

Library of Congress Cataloging-in-Publication Data

Moyers, Richard L.

The nonprofit chief executive's ten basic responsibilities / Rick Moyers. -- 2nd ed.

p. cm.

ISBN 1-58686-130-1

1. Nonprofit organizations--Management. 2. Chief executive officers. 3. Leadership. I. BoardSource (Organization) II. Title.

HD62.6.M69 2012

658.4'2--dc23

2012016277

This publication may not be reproduced without permission. Permission can be obtained by completing a request for permission form located at [www.boardsource.org](http://www.boardsource.org). Revenue from publications sales ensures the capacity of BoardSource to produce resources and provide services to strengthen the governing boards of nonprofit organizations. Copies of this book and all other BoardSource publications can be ordered by calling 800-883-6262. Discounts are available for bulk purchases.

The views in each BoardSource publication are those of its author, and do not represent official positions of BoardSource or its sponsoring organizations. Information and guidance in this book is provided with the understanding that BoardSource is not engaged in rendering professional opinions. If such opinions are required, the services of an attorney should be sought.

# BoardSource®

Empowering Boards. Inspiring Leadership.

BoardSource envisions a world where every social sector organization has the leadership it needs to fulfill its mission and advance the public good. Our mission is to inspire and support excellence in nonprofit governance and board and staff leadership.

Established in 1988, BoardSource's work is grounded in the fundamental belief that boards are critical to organizational success. With decades of hands-on experience working with and supporting nonprofit boards, BoardSource is the recognized leader in nonprofit governance and leadership, and a go-to resource for nonprofit board and executive leaders. BoardSource supports a broad and diverse cross-section of social sector organizations with

- leadership initiatives addressing key opportunities and issues within the nonprofit sector
- research and benchmarking of board composition, practices, and performance
- membership and board support programs
- customized diagnostics and performance assessment tools
- a comprehensive library of topic papers, publications, and downloadable infographics, tools, templates and more
- live and virtual education and training
- governance consultants who work directly with nonprofit leaders to design specialized solutions to meet an organization's needs
- a biennial conference that brings together approximately 800 board leaders for two days of learning and sharing

A note to our global readers:

The need for effective board leadership and governance knows no geographic boundaries, and BoardSource is committed to strong social sector board leadership and governance around the globe. While BoardSource uses United States laws and policies as the legal framework for our resources and recommendations, most of our resources do not focus on legal matters but rather on good governance practices, making them relevant to organizations working outside of the United States. We do suggest, however, that you refer to applicable laws in your country regarding financial reporting and other legal and transparency issues.

BoardSource is a 501(c)(3) organization.

For more information, please visit our website at [boardsource.org](http://boardsource.org), e-mail us at [mail@boardsource.org](mailto:mail@boardsource.org), or call us at 800-883-6262.

# CONTENTS

<b>INTRODUCTION</b> . . . . .	<b>1</b>
<b>CHAPTER 1: COMMIT TO THE MISSION</b> . . . . .	<b>7</b>
<b>CHAPTER 2: LEAD THE STAFF AND MANAGE THE ORGANIZATION</b> . . . . .	<b>11</b>
<b>CHAPTER 3: EXERCISE RESPONSIBLE FINANCIAL STEWARDSHIP</b> . . . . .	<b>17</b>
<b>CHAPTER 4: LEAD AND MANAGE FUNDRAISING</b> . . . . .	<b>23</b>
<b>CHAPTER 5: FOLLOW THE HIGHEST ETHICAL STANDARDS, ENSURE ACCOUNTABILITY, AND COMPLY WITH THE LAW</b> . . . . .	<b>27</b>
<b>CHAPTER 6: ENGAGE THE BOARD IN PLANNING AND LEAD IMPLEMENTATION</b> . . . . .	<b>31</b>
<b>CHAPTER 7: DEVELOP FUTURE LEADERSHIP</b> . . . . .	<b>35</b>
<b>CHAPTER 8: BUILD EXTERNAL RELATIONSHIPS AND SERVE AS AN ADVOCATE</b> . . . . .	<b>39</b>
<b>CHAPTER 9: ENSURE THE QUALITY AND EFFECTIVENESS OF PROGRAMS</b> . . . . .	<b>43</b>
<b>CHAPTER 10: SUPPORT THE BOARD</b> . . . . .	<b>47</b>
<b>CONCLUSION</b> . . . . .	<b>53</b>
<b>APPENDIX I: NONPROFIT CHIEF EXECUTIVE JOB DESCRIPTION</b> . . . . .	<b>55</b>
<b>APPENDIX II: PERSONAL QUALITIES OF EFFECTIVE CHIEF EXECUTIVES</b> . . . . .	<b>57</b>

**APPENDIX III: TEN QUESTIONS FOR NONPROFIT  
CHIEF EXECUTIVES . . . . . 59**

**SUGGESTED RESOURCES . . . . . 63**

**ABOUT THE AUTHOR . . . . . 69**

# INTRODUCTION

A job announcement or help-wanted advertisement for the typical nonprofit chief executive<sup>1</sup> position might read something like this:

*Nonprofit organization seeks talented and visionary leader with a program expertise, a commitment to its mission, management and supervisory skills, and financial acumen. Position also requires strong communication skills, including writing and public speaking. The successful candidate will be responsible for closing a significant annual gap between the organization's financial resources and the work it hopes to do, and must be willing to be supervised by a group of volunteers whose role is loosely defined and whose composition changes regularly.*

The list of qualifications and desired attributes in nonprofit chief executives is often much longer, and may include professional certifications and advanced degrees, a successful fundraising track record, a background in business or government, or experience in advocacy and lobbying. When reading through these lists, one almost expects to run across “faster than a speeding bullet” and “able to leap tall buildings in a single bound.” Such announcements also usually omit a few items, such as a willingness to earn less than comparable professionals in business or government, or skill at juggling cash flow while the organization is waiting for delayed payments.

Despite the breadth of skills required, the complexity of the job, and the growing challenges facing many nonprofit organizations, hundreds of thousands of leaders have stepped into the chief executive role, and through their work are making extraordinary contributions to communities across the United States and around the world.

1 Executive director and president are the two most common titles for the chief staff position in a nonprofit organization. This book uses the more generic term, chief executive.

Chief executives' professional backgrounds are as varied as the organizations they lead. Some are the founders of their organizations and have developed their own skills and knowledge as their organizations have grown. Many have spent their entire careers in the nonprofit sector; others migrated from business or government. They are attorneys, social workers, psychologists, accountants, doctors, nurses, teachers, and artists. Few began their careers intending to lead a nonprofit organization.

Although an increasing number of nonprofit employees have degrees in nonprofit management, most undergraduate and graduate programs are not designed specifically to train people to be nonprofit chief executives. In addition, most chief executives are in the role for the first time.<sup>2</sup> They come to their jobs with strong skills and experience in some aspects of the role. The rest they learn on the job, with few obvious places to turn for support.

In contrast, nonprofit boards have abundant resources for clarifying their roles and strengthening their performances. Over the past two decades, dozens of books, self-assessments, and toolkits have been developed to help board members understand their responsibilities. Over the same time period, very little has been produced specifically for chief executives. Many authors and researchers acknowledge that the board and chief executive share responsibility for governance, yet most of the available literature and tools focus on the board. This leaves the chief executive in the position of someone trying to complete a crossword puzzle with only the clues for across.

Since the relationship with the board looms large in the life of every nonprofit chief executive and confusion over respective roles is rampant, this book was created as a companion to *Ten Basic Responsibilities of Nonprofit Boards* (BoardSource, 2009) to examine the chief executive's responsibilities through the same lens as those of the board. It discusses all the chief executive's responsibilities, including supervising the staff, overseeing operations, and leading the senior management team. These general management

2 Bell, Jeanne, Richard Moyers, and Timothy Wolfred. *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership*. San Francisco: CompassPoint Nonprofit Services and the Meyer Foundation, 2006.

responsibilities, which are not linked directly to the partnership with the board, comprise a large and important portion of the chief executive's job. Chief executives who want to improve their skills as supervisors, communicators, or program managers can draw on many resources, including business literature and continuing education programs. Chief executives who want to understand their responsibilities in the context of their partnership with the board have many fewer places to turn. This book seeks to fill that gap.

This publication draws on a variety of sources, including the work of many authors, conversations with hundreds of chief executives over nearly two decades, and several recent national surveys of executives and boards. It is intended primarily for chief executives — for those who are new to the role and for more seasoned executives who want to improve. Board members, other nonprofit staff, and grantmakers can also use this book to better understand the chief executive's role.

## **THE CHIEF EXECUTIVE AND THE BOARD**

The role of the nonprofit chief executive has evolved over the past century for a variety of reasons, including the growth and complexity of the nonprofit sector, the increasing professionalism and specialization of nonprofit employees, and other changes in the paid and volunteer work force.

The models or frameworks discussed below are rooted in that evolution. They offer competing and sometimes contradictory ideas about the role of the chief executive and how executives and board members should interact.

- *Strong board, subordinate executive.* This leadership model was once much more common than it is today, although many board members and chief executives still believe that the chief executive falls below the board in the organization's hierarchy and that the board's role is to supervise and control the executive in much the same way that any manager supervises a subordinate. Some organizations go through a period of strong board leadership with a relatively weak executive as part of their evolution and growth. Under this model the executive is somewhat passive and looks to the board for leadership and initiative. The board



is likely to be involved in all major management decisions. One drawback is that board members may not have the information or expertise to make needed decisions. Executives also sometimes express frustration that the board is holding the organization back or will not let them make needed changes. Often these chief executives don't believe they have a role in changing the situation.

- *Strong executive, ornamental board.* This model is increasingly common, often because a talented and charismatic chief executive has a clear vision for the organization. Sometimes these executives are founders; sometimes they have taken over the organization during a difficult period or led it to unprecedented success. Organizations that operate this way can be successful and even effective. The drawback is that the executive holds almost absolute power. The potential for disaster is high, and even in the best cases the board is seldom used to its full potential as an asset.
- *Equal partners.* Several authors, including Cyril Houle and Peter Drucker, have written about the board and the executive as partners or colleagues who work collaboratively to achieve common goals. This is perhaps the least controversial but most ambiguous conception of the relationship between the chief executive and the board. It argues for flexibility and cooperation, but at the same time provides much opportunity for disagreement and confusion.
- *Partners with clear boundaries.* To reduce ambiguity, the well-known writer John Carver has urged clearer thinking. The Carver model of governance includes the concept of "executive limitations." Boards are urged to define in clear terms everything the executive is not allowed to do. Inside that fence, the executive has complete latitude to manage the organization. Many nonprofit executives, particularly those who have suffered from micromanaging boards, have found Carver's ideas helpful. Some argue that this framework sacrifices flexibility for the sake of clarity.

- *Servant-leaders*. Robert Greenleaf, an educator and retired corporate executive, coined the phrase “servant-leadership” in the early 1970s to describe the belief that people should first seek to serve and then lead as a way to expand their service to individuals and institutions. Servant-leadership encourages collaboration, trust, empathy, and the ethical use of power. Executives and board members who approach leadership from this perspective might, at least in theory, find themselves less preoccupied with who’s really in charge and more focused on how best to help each other and the organization.

Each of these ideas about the role of the chief executive has merit, is right in some respects, and claims many adherents. None offers a completely accurate view of the chief executive’s role or a sure-fire recipe for the success of the chief executive and the organization. However, these different perspectives provide important context for any discussion of the chief executive’s role and help explain why boards and chief executives sometimes reach very different conclusions about how they should do their jobs.

## **UNDERLYING ASSUMPTIONS**

Following essentially the same outline as *Ten Basic Responsibilities of Nonprofit Boards*, this publication lays out the chief executive’s broad responsibilities, often in the context of the partnership with the board, based on four underlying assumptions.

1. The role and responsibilities of the chief executive vary widely depending on an organization’s size, structure, and history. There is no one “right” role for the chief executive and no standard position description that is applicable to all organizations.
2. The line of demarcation between the board’s responsibilities and those of the chief executive is imprecise. Occasionally it’s invisible. This book does not attempt to draw sharp and impractical distinctions between the board’s role and that of the executive. Instead, it emphasizes the importance of creating clear expectations and a shared understanding of the mutually supportive and complementary roles of the board and the chief executive.

3. An effective partnership between board and chief executive requires a balance of power and authority. The board must have enough power and independence to carry out its legal responsibilities and to supervise the executive. The chief executive needs adequate authority to manage the organization and exercise leadership in the broader community. Finding and maintaining that balance is one of the central challenges of executive leadership.
4. Even within a single organization, the role of the chief executive changes over time based on shared history and trust, changing skills and personalities on the board, the growth and professional development of the chief executive, and other factors. Chief executives who recognize that their role is not static and who embrace and plan for inevitable changes in their role are more likely to be successful.

Scholars Robert Herman and Richard Heimovics described the role of the chief executive as containing “strange loops and tangled hierarchies.”<sup>3</sup> Chief executives have many responsibilities that are distinct from those of the board and also manage many other important partnerships — with staff, donors, public officials, and leaders of other nonprofits. Because the chief executive’s job is so complicated, it cannot be easily captured in a tidy 10-point checklist. The 10 sections that follow attempt to acknowledge the breadth and complexity of the chief executive’s role and can serve as benchmarks and guideposts for those chief executives who want to explore specific aspects of their responsibilities in greater depth.

3 Herman, Robert D. and Richard D. Heimovics. *Executive Leadership in Nonprofit Organizations: New Strategies for Shaping Board-Staff Dynamics*. San Francisco: Jossey-Bass, 1991.