

BOARD-STAFF
INTERACTION:

YOU
ASK,

WHAT'S
ACCEPTABLE,
WHAT'S NOT?

WE
ANSWER

Anyone new to working at a nonprofit may find themselves wondering what his or her role is in relationship to the board — that entity that has ultimate responsibility for the organization.

Can you expect to occasionally see board members around the office and, if so, how should you interact with them?

Will you be expected to take direction from them?

To collaborate with them on projects? Or are there invisible lines drawn somewhere that delineate the board's role and the staff's role — lines that should not be crossed?

These are all good and valid questions — with no one correct answer! The partnership between the board and the CEO or executive director and the board and the staff can be complicated and tricky to navigate at times — and will fluctuate based on where the organization is in its lifecycle and, sometimes, on the personalities of its key players.

Since its founding, BoardSource has fielded hundreds of questions related to the board-staff partnership. While most center on the board-chief executive partnership, many touch on the relationship between the board and staff. Some of the questions are general in nature; others address specific issues and can be quite thorny in nature. In an effort to help those who work at a nonprofit determine what role they play in the board-staff partnership, we present a few of those questions here.

Q:

What are the primary roles of the board, the CEO, and supporting staff?

When defining the role of the board, it is important to remember that it refers to the group, not to individual board members. The board functions as a team. Individual board members inherently have no authority — no individual rights — over the organization but must assume accountability for their own actions. The full governing body has three main foci:

- **Direction:** The board guards the mission of the organization and, through guidelines, steers it in the right direction.
- **Oversight:** The board monitors the activities, the health, and the ethical behavior in the organization.
- **Resources:** The board ensures that the organization is well-equipped to fulfill its mission, i.e., has adequate finances, capable staff, and an esteemed reputation.

Primary role of staff

In the beginning of a nonprofit's existence, it is common for board members to wear different hats and function also in a staff capacity. When the board hires the first CEO or executive director, it delegates the daily management to that person. The chief executive reports to the board and any staff who are subsequently hired report to the chief executive.

The chief executive is responsible for maintaining regular contact with the board and particularly the chair. He or she keeps the board informed about the issues and activities that are part of the organization's daily life. In fact, the board would have great difficulties making well-rounded decisions without constant input from the chief executive. The staff helps the chief executive more efficiently implement the directives set by the board.

Working together

It is not always easy or even possible to draw a clear line between governance and management. The board's duties center on its monitoring role. The chief executive, on the other hand, is responsible for making things happen with the help of the rest of the staff. However, both sides need each other's support — and availability when requested — without veering off to micromanagement or 'über-control.'

SPECIFIC RESPONSIBILITIES

▶ Oversight

Board: Health and success of the organization

- Drafts and/or approves broad policies to guide and protect the organization, board, and staff
- Monitors that all legal requirements get proper attention
- Hires the chief executive and delegates daily operations to him or her
- Expects regular and objective reports from staff

Chief executive: Programs and administration

- Oversees daily operations and ensures appropriate staff and operations policies are in place
- Hires staff and delegates operational responsibilities to them
- Shares good and bad news with the board

▶ Planning and evaluation

Board: Strategic framework for the organization

- Adopts an overall strategic mindset by focusing on the big issues that matter most
- Actively participates in strategic sessions and retreats
- Annually evaluates the performance of the chief executive and determines appropriate compensation
- Evaluates its own performance regularly — at least every two to three years
- Assesses the organization's achievement of its goals via staff reports

Chief executive: Strategic and operational plans

- Ensures that strategic planning happens with the board's appropriate involvement
- Leads operational planning and approves the plans for the staff
- Ensures a process for staff performance exists, approves staff compensation, and evaluates his or her own performance

▶ Finances

Board: Fiduciary duty over the organization

- Makes sure adequate financial expertise is present on the board
- Sets overall fiscal policies and ensures appropriate internal controls
- Approves the annual budget and monitors carefully the financial reports
- Hires an auditor and reviews the audit in an executive session with the auditor

Chief executive: Financial management

- With the help of the financial staff, prepares the annual budget and provides the board with regular financial statements
- With staff, handles the daily financial operations and monitors cash flow
- Defines financial policies and procedures for all daily money transactions

Q:

Do staff attend board meetings and, if so, how do they participate?

Those who report directly to the chief executive and/or serve as staff aides to board committees are often invited to appropriate segments of board meetings. They report on projects or programs and answer on-the-spot questions the board might have, in both cases when asked to by the chief executive. In general, other staff members attend board meetings only for special purposes, such as reporting on a special project or providing administrative support to the chief executive.

Q:

How do staff members contribute to the board's work between meetings?

While the chief executive has the sole responsibility for implementing the board's directives, staff members play key roles in helping both the chief executive and the board do their work well. They help in the following ways:

- **Provide informative reports to the chief executive** that he or she can incorporate into his or her report to the board or communicate in some way to the board.
 - **Create dashboards** to help the board evaluate how well the organization is performing. Good data are essential to good governance, and boards depend on staff members to gather and present the data in an understandable manner.
 - **Support the work of committees.** Many boards have committees that relate closely to one or more staff assignments, such as fund development or finances. These staff members usually become the primary resource for committee chairs. Some may serve as staff liaisons to the appropriate committees. In this role, the staff can help committees and board members focus on board issues, not staff responsibilities.
- **Respond to inquiries between meetings.** The board should channel these requests through the chief executive so he or she is aware of the board's information needs.
 - **Work as a team.** Board members observe how well staff members get along, work together, and are loyal to the mission and one another.
 - **Build relationships.** Social exchanges between individual staff and board members can build mutual respect as well as board effectiveness. Staff and board members can have friendships as long as those friendships are not used inappropriately when it comes to the work of the organization.

Q:

No one wants to be micromanaged but is it possible for board members to be too removed from the day-to-day operations of the organization to make good decisions on behalf of the organization? And if so, how can this be remedied?

Vernetta Walker, BoardSource's vice president of programs and chief governance officer, answers this question for us:

When it comes to boards and governance, it would be nice if all things were formulaic — no gray zones, just black and white. Usually, that's not the case, so the trick is to find a workable balance that allows the board to add value and to lead in a meaningful way while supporting and enabling the chief executive and staff to do their jobs.

Since its founding, BoardSource has taken the position that exceptional boards engage in macrogovernance — in defining, deliberating, and deciding matters most consequential to an organization's short- or long-term well-being — and do not cross the line into micromanagement by participating in the actual operations of the organization.

BOARD-STAFF INTERACTION: WHAT'S ACCEPTABLE, WHAT'S NOT. YOU ASK, WE ANSWER.

The extent to which a board micromanages or macrogoverns varies depending on the circumstances, such as the life stage of the organization, the internal capacity of the organization, and even the tenure of the chief executive. Sometimes precipitating events — such as an executive transition, discovery of financial mismanagement, a crisis, or lack of confidence in the chief executive — invite or even require the board to step in and play an active role.

Barring these kinds of circumstances, is it possible for the board to swing the pendulum too far to the other end of the spectrum and become too removed? Yes! If all information is funneled solely through the chief executive, he or she becomes the gatekeeper. Some would argue this promotes harmony and reinforces the authority of the chief executive. However, it also can disconnect the board from the culture of the organization, its constituents, clients, community members, staff, and funders.

Working with the chief executive, the board should look for appropriate opportunities to create board/staff/stakeholder committees or task forces so that the board has a better understanding of organizational culture and can hear from those who are directly involved in delivering or are impacted by the work of the organization. Boards should consider how they can formally get feedback from staff and stakeholders about organizational and chief executive performance. The board's role of supporting the chief executive is not at any or all costs.

Advancing the mission of the organization requires a healthy culture of inquiry inside and outside the boardroom. Questioning and challenging assumptions, seeking information, and testing perceptions against realities can help reinforce strengths or expose weaknesses. Protecting the integrity of the organization is part of the board's job as stewards of the mission. This cannot be done sitting high up on a perch. Sometimes the board has to dive in. The key is to be transparent and thoughtful as to how it goes about this. The board should work with the chief executive to implement processes and opportunities that promote trust, but also verify the accuracy of what's being presented to the board. Otherwise the board may be surprised to learn the organization is not doing as well as it thought.

Q:

Our organization's chief executive just resigned, and the staff wants to be involved in the chief executive hiring process. Is it appropriate for the staff to be involved, and if so, how?

David Styers, a BoardSource senior governance consultant, weighs in here:

Selecting the chief executive is one of the board's most important responsibilities. With the right person in place, the organization will be better equipped to succeed. For the board to choose wisely, it should follow a responsible search process. Appropriately involving the staff in that process is important. Staff can provide an internal view of the organization's daily needs that may not be clearly known by the board and that should be taken into consideration by the board.

As the board plans the transition process, it needs to discuss how and when to involve the staff. The board should start the search process with a clear consensus and understanding of the organization's current circumstances and its strategic and most pressing priorities and goals. The board must know what it expects a new chief executive to achieve.

This is a good place and time to involve the staff. On behalf of the board, the board chair should consider meeting with the staff to discuss the transition process and to solicit its feedback. Because some staff may feel more comfortable sharing their opinions privately, the board chair also might offer to receive emails. Another place in the search process to involve staff is the interviewing stage. The board could invite a few key staff members who report to the chief executive to meet the leading candidates for the position and report back to the search committee with their opinions.

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Board leaders also should remain open to the idea of identifying, developing, and promoting promising talent from within. When considering internal candidates, the board should exercise great care, however. It needs to recognize and honor the candidates' commitment to the organization not by granting them special consideration but by treating them seriously and with utmost respect.

Although a search committee takes the lead in the search for a new chief executive, it should keep the full board, as well as the staff, well informed as the search proceeds. Both board and staff members will be asked by stakeholders and the public about the search. All should speak with one unified voice concerning any details that may be made public. Certainly, the board must maintain confidentiality concerning who has applied and is being considered. Although the board is ultimately responsible for selecting and hiring a new chief executive, it would be remiss in not engaging the expertise and experience of the staff during the search process.

Tony Scucci, a BoardSource senior governance consultant, tackles this one:

Q:
Our board committees rely heavily on staff members to do the administrative tasks. Is this OK? What is an acceptable way to involve staff on board committees?

The board/staff relationship is one that has tremendous potential — for constructive partnership or for misunderstanding and conflict. Like all relationships, it must be attended to. The best way to do this is to clarify roles, responsibilities, and mutual expectations and to challenge assumptions.

Because this question refers specifically to board committees, let's begin by agreeing upon a working definition of a board committee. Here's one for your consideration:

Board committees are the board's workforce. They report to the board and help carry out the board's mandate to oversee the organization, ensure its financial security, and plan for its future. Board committees generally do not include staff members (except, in some cases, the chief executive), though they are often supported by staff. Examples of board committees include executive, finance, and governance committees.

Often, the chief executive assigns a staff person to support a board committee. Although the chief executive should always be viewed as the primary link between board and staff, a designated staff person working directly with a board committee allows for more efficient and practical communication. This is especially true when board committees' oversight roles dovetail with specific staff responsibilities, such as finance. It is important to note, however, that the staff person assigned to work with a board committee is not a member of the committee; he or she supports the committee while continuing to work for the chief executive.

There are multiple ways staff can bring real value to board committees and their work. Staff can, for instance, provide context, explain standards in the field, or help with background information. When appropriate, the staff member also may serve as the secretary to the committee to take notes, follow up on administrative tasks, and coordinate logistics.

Board committees can be particularly productive when they have professional staff support, but there must be clarity regarding roles, responsibilities, and mutual expectations among the committee chair, committee members, chief executive, and the staff person who supports the committee. If a board committee appears to be squandering staff time on redundant or unnecessary tasks, the chief executive should talk with the committee's chair to determine how the supporting staff member's workload might be lessened. In some instances, board committee members handle their committee's administrative tasks and utilize staff only as liaisons between the committee and the organization.

Finally, if the relationship between the committee and the staff person feels like it is going awry, it probably is. Don't wait for things to work out on their own; they seldom do. Attend to the task at hand, but also attend to the relationship; it is within that relationship that the task gets accomplished most efficiently and most effectively.

Q:
Is it appropriate for staff members to take their grievances to the board?

Unhappy or troubled staff members have been known to contact board members directly about management concerns. Unless a staff member suspects that the chief executive is engaged in illegal or unethical activities, this approach is rarely appropriate, however. Clear guidelines for staffers who are interested in voicing their concerns and for board members addressing staff complaints help create and support a healthy culture.

How the board should respond

The chief executive is responsible for management issues and supervising the staff. When a staff member approaches a board member with a management complaint, it is important for the board member to react properly. While many factors — the seriousness and nature of the complaint or staff size — may dictate an appropriate response, there are some basic guidelines for the board member to follow.

- Encourage the staff member to meet and discuss the concerns with his or her direct supervisor or the chief executive. Remind him or her that the chief executive is responsible for overall management.
- If the concerns are general in nature, suggest the staff member communicate with peers and possibly form a delegation to approach the chief executive.
- If the complaint is anonymous, assess its seriousness and validity, ignore it (if appropriate), or bring it to the attention of the chair.
- If the complaint concerns specific actions by the chief executive that seem to have general implications on staff morale or direction the organization is taking, contact the chair.
- Generally, it is a good idea for the board member to share the complaint with the board chair.

Chair's role

When a board member brings a staff complaint to the chair's attention, the chair should decide the next step.

- Discuss the seriousness of the complaint with the board member. Assess whether to contact the chief executive and/or the rest of the board in an executive session.
- If feedback is necessary, contact the chief executive — even informally. Ask the chief executive about the general issues in the complaint. Hear his or her side of the story.
- If the chief executive is aware of the concerns, discuss together what the remedy might be. If he or she needs support, provide that. If solid advice is needed, give it.
- If the chief executive is unaware of potential problems with staff, this may signal a deeper conflict. Guide him or her to address any management issues with the staff.
- If it seems that the chief executive is the cause of the problem due to his or her management style or skills or other reasons that affect his or her effectiveness, ensure that these factors are taken seriously in the performance evaluation.
- If the chief executive has committed an illegal act, contact the board immediately and seek legal counsel on how to proceed. Depending on the situation, contacting the chief executive may not yet be appropriate.

Ways to prevent future situations

- Ensure that a grievance policy exists. A grievance policy sets forth a clear communication process for staff to follow when filing a complaint.
- Commit to an annual assessment of the chief executive. This process allows the board to make sure that the organization has the appropriate leadership. Provide professional development or an executive coach for the chief executive. This allows the chief executive to sharpen essential skills or have a third-party advisor to offer counsel about difficult situations.
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Q:

Our organization has a board liaison. What does this person do?

To help with the coordination of communication between the board and staff and other board–staff tasks, many nonprofits create the position of a corporate secretary or board liaison, who serves as the link between the board and senior management — and even some outside constituents.

The idea of a position with direct access to the board and chief executive usually becomes attractive in a nonprofit with a multi-faceted scope and a relatively large scale of activities. A major benefit of a corporate secretary position for the board is having someone who supports the full range of board work from communications to logistics of board and committee meetings. The chief executive benefits from having a gate-keeper who acts as a knowledgeable liaison between the senior staff and the board. It also frees him or her to focus on big issues rather than logistics.

To whom does the corporate secretary report? This is an important question and must be clarified for all parties. It is important to be explicit about who can hire or fire the person, or evaluate his or her performance.

- **Chief executive** — This is the most common situation. It is important to note that because this position requires full access to key organizational issues and documents, it goes beyond being an administrative position.
- **Board** — When the corporate secretary reports to the board, it is often a largely administrative position where individual board members rely on this person to handle some of their own duties.

The following are some of the functions a corporate secretary or board liaison may assume:

- **Legal counsel** — assistance in researching background material on legal and liability issues
- **Parliamentary order skills**
- **Governance expertise**

Most of the tasks assigned to this position depend on the role definition. These responsibilities might include the following:

- **Board meetings** — attend all meetings, manage meeting logistics, take minutes
- **Liaison** — serve as the chief contact between the board and senior staff, provide administrative assistance to the board, assist in drafting key documents, keep organizational records, such as articles, bylaws, and minutes
- **Advisor and trainer** — advise board members on key governance issue, assist with board member recruitment and orientation, assist in reviewing governance guidelines, stay on top of industry trends