

# **Proven Principles and Practices for Board Chairs and Their CEOs**

Bundle of Resources by Robert C. Andringa, Ph.D.

It has been my honor to serve in some way more than 500 nonprofit boards and CEOs since 1985, mostly in the faith-based community.

Consultations have included board assessments, CEO searches, CEO evaluations, full board training, succession planning, improving Articles and Bylaws, guiding the writing of Board Policies Manuals, strategic planning, CEO and Board Chair training and coaching, a few mergers, workshops limited to CEOs and chairs, and more. And a couple books to help governance improve.

To paraphrase a popular TV commercial, “I know a thing or two because I’ve seen a thing or two!”

At this stage of my professional service, I am devoting most of my time to advising selected individual CEOs and Board Chairs on their specific challenges. Why? These two leaders make all the difference in a ministry desiring to achieve high-performance governance. In fact, not much improvement happens when these two leaders focus only on their own roles with little communication, collaboration, and joint planning within a trust relationship.

This bundle of resources includes only some of the many things I collect to help these two leaders move from good to great. An organization either grows toward excellence or tolerates mediocrity depending on these two.

## 10 KEYS TO THE BOARD – CEO RELATIONSHIP

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1. **Selecting the CEO.** Critical decision. Retain experienced help. Have a planned and well-executed search. Wide net. Vet top candidates extensively. Several interviews. Engage as a consultant first if possible. Use Interim or Acting CEO rather than make an unwise choice.
2. **Align Expectations.** After extensive conversations with designated CEO, set in writing: clear expectations, role with board, personalized compensation package, procedures for performance evaluations, etc.
3. **Transition Smoothly.** Assign a couple people to help. Plan for both a classy exit and a memorable reception for both CEOs. Overlap if appropriate. Consider spouse's needs. Anticipate budget needs.
4. **Encourage Executive Coaching.** Especially if new to the CEO role. Provide funds for key meetings, subscriptions, and other resources.
5. **Collaborate on Great Board Meetings.** Chair and CEO plan. Staff reports in advance. Highly engaged and interactive. Meaningful committee work. Executive sessions. Governance training.
6. **Board Policy Manual.** Have one! If CEO/staff draft policies, only board determines. Review and improve every meeting. Distinguish between governance and administration. Include all that is on-going policy.
7. **Communications on Progress.** Clear plan of what board wants monthly, quarterly, semi-annually, annually. Use Zoom or Skype. Informal one-on-one by CEO with board members. Improve director involvement wearing governance hat and volunteer hat.
8. **CEO Evaluations.** Annually. Periodic 360. Refine expectations.
9. **Succession Plan.** Do early in CEO's tenure. Anticipate all eventualities. Review written plan annually. Don't allow a crisis.
10. **Build Trust Relationships.** Honesty. Forgiveness. Encouragement. Follow protocols. Board stay out of management; CEO a partner in governance. Pray together. Resolve differences quickly. Focus on mission.

## ROLE OF THE NONPROFIT BOARD CHAIR

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*First Principle: Good nonprofits have good boards; and good boards have good chairs!  
The Chair manages the board...The CEO manages the organization.*

1. **Desired Traits.** Knowledge of organization, leadership qualities, fair and objective, able to delegate and motivate volunteers, good facilitator of meetings, willing to make difficult decisions, positive communicator, ability to develop trust relationship with the CEO, etc.
2. **Time Required.** Most chairs report “at least twice the hours” of other active board members are required, so equivalent to 20+ days per year for a typical board.
3. **Selection.** Important to be elected by a fair process, maybe secret ballot. The full board annually should elect the most gifted person for the role who is willing to do the job well.
4. **Length of Service.** Usually one or two-year renewable terms works best. Need objective evaluation by board development (or nominating) committee and expressed willingness to serve again before re-election. But don’t impose arbitrary term limits on great chairs!
5. **Primary Role. The job "product" of the Chair is, primarily, the integrity of the board's process.** The chairman “manages the board.” The Chair is the only board member authorized to speak for the board as a group, other than in rare and specifically authorized instances. She or he models involvement, including giving, helps recruit new board members, makes or suggests wise committee assignments, interprets board feelings to the CEO, develops board meeting agendas with the CEO, and insists on good board training.
6. **Enforcement Role.** The Chair ensures that the board behaves consistent with its own rules and those legitimately imposed upon it from outside the organization. Meetings deal only with those issues that belong to the board to decide. The Chair minimizes cliques within the board and deals with division or dissatisfaction as appropriate.
7. **Special Authority.** The authority of the Chairperson consists only in making decisions on behalf of the board that fall within and are consistent with any reasonable interpretation of board policies on governance process and on the board-CEO relationship. The Chair has no authority to make policy-related decisions beyond policies created by the board.
8. **Relations with CEO.** The Chair has no authority to supervise or direct the CEO, but is expected to advise and partner with the CEO on all governance matters. This trust relationship must be positively developed over time.

We are convinced that no nonprofit board can move from Good to Great without a “board-oriented CEO.” What would a good CEO look like in this regard?

1. Truly believes one of his/her lasting legacies will be a stronger board.
2. Sees a good board as a necessary partner, not a competitor, to mission accomplishment.
3. Helps the board clarify roles so both the CEO and the board move ahead in their non-competing roles with confidence and trust.
4. Honors the chair’s role as manager of the board and helps the chair fulfill that role without looking for credit for the resulting good leadership of the chair.
5. Works with individual board members to identify for each – when wearing their volunteer hats -- a couple areas of interest and competency that could serve the mission. (When volunteering, they work under staff guidance.)
6. Insists on a good annual performance review and agreed upon personal and professional goals for the year ahead.
7. Gives the board excellent updates at the times, in the format, and with the quality the board deserves and/or requests.
8. Assigns key staff to serve board committees, helping them do board work without getting pulled into helping management solve problems.
9. Meets and exceeds expectations for getting reports out, following up on board requests, getting minutes out on time, scheduling regular phone conversations with the chair, setting up a user-friendly board website, arranging for special activities around board meetings, remembering board members and spouses at holidays, and other things boards can’t do themselves.
10. Helps, but does not dominate, in recruiting great new board members.
11. Behaves more like a board colleague – thinking, helping, and asking – during board meetings than a “hired hand” only explaining or defending management.

## THE CEO – CHAIR PARTNERSHIP

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1. The Chair manages the board. The CEO manages the organization.
2. They do not compete because each has a role that is different and one cannot succeed in doing the other. The exact relationship differs among organizations but must be worked out as trust grows.
3. The CEO should normally be a member of the board, *ex officio* (by virtue of position) but without vote because the CEO's job is to implement board policy (besides, good CEOs "voice" influences many votes anyway).
4. The board should select its own Chair, but the CEO should be consulted and have "almost veto authority" if he/she believes they could not work together.
5. The Chair does not set policy, but is the best to interpret board policy when the CEO needs guidance.
6. The CEO and Chair partner on such things as helping to identify new board members, board agendas, committee assignments, board training, ways to recognize board service, improving meetings.
7. Often the Chair leads the annual evaluation of the CEO, as the Chair knows more dimensions of the CEO role than other board members.
8. The Chair, NOT the CEO, often has to be the disciplinarian when board members behave poorly.
9. The Chair, NOT the CEO, should follow-up when board members are not donors of record or don't sign the annual documents on time.
10. The Chair and CEO are the most critical to each other in having a successful tenure. Respected colleagues, but usually not best friends.
11. The Board Development Committee should evaluate the Chair's performance before re-election, and the CEO's views should be considered.

# GOOD BOARD MEETINGS AND DELIBERATION

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1. **Build a great agenda for the entire board “event” including all or some of ...**
  - A. Social/fellowship time so board members know and trust one another
  - B. Education time so board members feel more confident about their sector and their organization
  - C. Board development time so the board learns to function effectively
  - D. Show and tell time so board members see and hear about current programs/people
  - E. Committee time focused on doing board work, not administrative issues
  - F. Board business session for committee reports and board discussion/votes, using a consent agenda for routine items
  - G. Two executive sessions, one without the CEO and a later one with the CEO
2. **Always expect the CEO and team to prepare great advance materials ...**
  - A. Crisp minutes from previous meeting focused mostly on decisions
  - B. Current Board Policies Manual showing CEO’s new recommendations
  - C. Policy oriented reports from CEO and his direct reports (<3 pages each)
  - D. Dash board or other familiar metrics to show trend lines on key goals
  - E. Pros and cons of controversial issues so all the views are considered
  - F. A board member only web site for 24/7 access to all board documents
3. **Meet in the best setting possible ...**
  - A. Spacious, right temperature, comfortable seating, snacks, etc.
  - B. AV resources for presentations
  - C. Have only board members and the CEO at the board table; others to the side
4. **Prepare for dialogue and assign the best facilitators for group discussion ...**
  - A. Sometimes the chair should ask the CEO to facilitate; sometimes a committee chair
  - B. Have complex resolutions drafted, reviewed and distributed in advance
  - C. Set time limits; don’t allow the topic to get derailed into minor issues
  - D. Stage mock debates and a couple “soap box” statements from board members
  - E. Use quick, informal feedback tools like red and green cards to check viewpoints
  - F. On major issues, schedule briefing and dialogue early; maybe vote next day or later
  - G. Use quick small groups to get more dialogue; keep people involved
  - H. In plenary sessions, limit presentations/Q-A’s with staff so more time is given to significant dialogue among board members themselves
  - I. Get consensus that all points have been aired and time to vote; ALL support decision
  - J. Chair clarifies who does what and when among board members
5. **Expect good follow-up ... Minutes and updated Board Policy Manual sent out within two weeks ... CEO briefs staff and assigns tasks ... update board website ... CEO updates.**

# TIPS FOR GREAT BOARD MEETINGS

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*Think of them as board gatherings with several purposeful events*

- I. **The Challenge of Creating the Right Mix** – Board Education on Organization's Work ... Board Training ... Fellowship ... Interaction with Staff/Constituents ... Committee Meetings ... Social Time, Often with Spouses, Staff, Constituents ... Two Executive Sessions (with and without CEO) ... Time to Blue Sky the Future ... Plenary Sessions for Board Action.
- II. **Advance Items**
  - A. Set dates 1-2 years in advance for regular meetings. Three meetings/year is considered minimum by complex organizations.
  - B. Send out tentative agenda and related info two weeks in advance. Clearly separate action items from report items from general information. (Could use different color paper, etc.)
  - C. Keep board websites updated (bylaws, minutes, audit, 990, budget, organizational chart, Board Policies Manual, board and key staff roster, background papers on meetings, etc.)
- III. **Room Preparation**
  - A. Set up room in hollow square or U-shape; only board members & CEO at board table
  - B. Arrange for guests to arrive at specific times
  - C. Arrange for quality visual displays, necessary audio/visual equipment, refreshments, paper, pencils, name tags/plates, small gifts for all board members, etc.
- IV. **Full Board Plenary Meeting Agenda**
  - A. Call to order – Chair (the "manager" of the board)
    - \* Introductions of new members, staff, guests
    - \* Short inspirational message/devotions (as appropriate)
    - \* Gain directors' consensus on printed agenda
  - B. Request motion to approve the consent agenda (e.g., previous meeting's minutes, routine items from the CEO or committees, resolutions to honor someone, etc.)
  - C. Report of the Chief Executive (general and brief "state of the organization" plus any briefing on key items which will be coming up under old or new business – keep to 10-25 minutes)
  - D. Finance Report (often given by the volunteer Treasurer, but only after a good briefing by the staff finance person; use handouts that are not too detailed, e.g., dashboard indicators)
  - E. Other Staff Reports (these are distributed in advance, so assume all have read and allow time for only clarifying questions from board members)
  - F. Board Committee Meetings, if not in advance. These should require no more than 90-120 minutes (if committees do not get pulled into "staff" responsibilities/issues).

- G. Resume full board session for committee reports. Act on recommendations, primarily changes to the Board Policies Manual.
- H. Old Business (itemized topics, usually those which have been discussed by the board in earlier meetings and which are now ready for action)
- I. New Business (topics which the CEO, committees or individual directors have asked be put on the agenda in advance; sometimes discussed only, with action deferred to a later meeting)
- J. Schedule TWO Executive Sessions during meetings: (1) without CEO on board-CEO relationship, then later after chair has briefed CEO, (2) with CEO, to address his or her confidential matters and to address any issues from the earlier session.

#### **V. Miscellaneous Tips for Good Meetings and Follow-up**

- A. Chair and Chief Executive should discuss/agree on advance agenda and committee chairs should be consulted on their agendas. Give all directors all committee agendas.
- B. Put all "on-going" policies in one document, a Board Policies Manual (BPM).
- C. Put all key reference documents on a password protected website, e.g., list of directors, Articles, Bylaws, last minutes, current budget, latest financials, list of programs, etc. Next best is a common system of "folders" on each director's hard drive in which are all the key documents for 24/7 access. (At least have key docs in a Board Reference Notebook.)
- D. When the agendas are long, the chair may want to ask for consensus to set a pre-determined time limit on discussion of specific items.
- E. During meetings, use Red and Green cards to allow all members to visually show at one time their support or opposition (or agree/disagree) to suggestions. This involves everyone and prevents some from being overly influenced by how someone else "votes."
- F. When the board finishes a discussion, if there is no formal resolution (motion), be sure the chair designates "next steps" and who is responsible.
- G. Have a staff member take notes during the meeting, from which minutes are drafted within a few days. Keep the minutes crisp, showing date, time and place; who was present and absent; all motions; brief description of other items discussed; time of adjournment. Sometimes, there are attachments, referred to in the minutes. After the CEO reviews, send the draft minutes to the Secretary for approval. Then mail copies to all board members, hopefully within two weeks of the meeting.
- H. Some boards separate "discussion" periods from "business" sessions by having the chair turn over the meeting to the CEO (or someone else) to facilitate discussion on complex issues that may come up later for vote in the business session. Then when the chair is conducting the business session, those items move more rapidly having gone through the more informal discussion period. Try mock debates, set-up soap box speeches, etc.
- I. The Board Development Committee should ask directors for feedback soon after every meeting, using a web survey tool like Survey Monkey.
- J. Plan for an annual retreat to deal with major strategic issues, governance training, etc. Consider including spouses as a way to increase their support of members' work.

## NONPROFIT BOARD EXECUTIVE SESSIONS: TWO EVERY MEETING?

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Board executive sessions (brief periods with only invited persons participating with board members) are useful at every meeting. They allow a short period for both the CEO and board members to surface concerns before they turn into crises. The main focus is the board's relationship with the CEO.

Who ⇒	Board Without CEO	Board With CEO Only	With Invited Guest?
Why?	Lets board discuss any concerns about CEO performance/relationship.	Lets CEO brief or listen to board on sensitive matters, e.g., staff issues.	Lets board discuss sensitive matters w/ another person/expert.
When?	Best early in agenda so chair can ask CEO to address a concern in a later executive session with only the CEO.	At every board meeting normally at or near the end of the meeting.	Any time to deal with sensitive issues needing another expert.
Minutes?	Usually not. Decisions could be recorded in general terms. Or documentation could be put in secure file.	Same	Same
How?	Chair should brief CEO soon after the executive session on any concerns the CEO should address.	CEO should come prepared for these sessions and assume confidentiality.	Sometimes an attorney or CFO is helpful to present technical issues and answer questions.

**How About Executive Sessions for Committee Meetings?** -- They also can be useful, but perhaps not at every meeting.

## GOOD REPORTS TO NONPROFIT BOARDS

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1. Board should define WHAT reports it wants to monitor achievement of its major goals...with help from staff.
2. Board should decide WHEN it wants specific reports...monthly, quarterly, whenever X happens, etc.
3. Reports should measure the “ends/results” or goals, not just activities or means.
4. Financial reports used by staff are usually too detailed for board use and do not identify where the “red flags” are in the report. Provide commentary.
5. Put reports in a historical context...data today, 1 year ago, 5 years ago.
6. Put reports in context of comparisons to similar organizations.
7. Use graphics whenever possible.
8. Check reports for accuracy before sending to board.
9. Leverage work of preparing reports for other purposes, e.g., newsletter, donor reports, staff orientation and training, annual report.
10. Ask for help of outside experts to design board-friendly reports.
11. Ask board annually to evaluate reports and redefine their reporting needs.
12. Keep an archive of reports for future reference.
13. Put some reports on your web page for the general public.
14. Ask board development (governance) committee to do an annual report on the “state of the board” to encourage quality and accountability of the board itself.

# HOW STAFF HELP MOVE BOARDS FROM GOOD TO GREAT

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1. **Clarify Roles.** (A) The board chair manages the board. (B) The chief executive manages staff. (C) The CEO is the sole staff agent of the board. (D) Board committees speak to the board (recommendations), not *for* the board. (E) Board and staff *recommend* board policies; only the board *determines* major policies; usually staff implement board policies; but the board needs to *track/evaluate* its policies.
2. **Good Information.** Develop information useful to policy setting and present it in ways board members appreciate (trends, within a context, graphics, etc.).
3. **Staff Support.** Provide staff support to board committees with careful attention to directors' needs and requirements. Fulfill board requests on time. Keep the little things off their agenda. Encourage directors in their personal lives.
4. **Standing Policies.** Encourage board to develop *one* document for all Standing Policies. Help board to draft policies for committee/board discussion; give feedback on the Board Policies Manual.
5. **Board Reference Library.** Create an easily accessible web portal or Dropbox to organize all key governance documents, staff reports, budget, board meeting documents, etc.
6. **Stay Legal.** Keep your board out of costly, time consuming, and public relations disasters by knowing and complying with state and federal laws. Encourage your board to have Directors and Officers liability insurance.
7. **Board-hired Auditors.** Support board decisions to retain and then cooperate by helping external auditors and consultants, e.g., financial, legal, and program reviews.
8. **New Directors.** Keep an eye out for potential directors/trustees. Nurture their development with volunteer assignments and opportunities so that, at the right time, you feel confident in passing along their names for the board's nominating process.
9. **Board Training.** Encourage, through your CEO, good ideas for board training and development in areas such as board member fundraising, board structure and process, trends and issues in your sector, legal rules that must be followed, etc. Create a small library on good governance and materials on your sector.
10. **Creative meetings.** Help make board meetings memorable with a nice set-up, refreshments, visual aids on your programs, well-prepared handouts, name tags, etc.
11. **Resolve Problems Outside the Board.** Learn how to resolve conflicts within the staff so sticky personnel issues don't impose on the board's time (and emotions).
12. **Express Appreciation to Directors.** Board members need to be loved, too! Find creative ways to frequently thank them as individuals and as a group when they do good work. Use cards, flowers, small gifts, kudos on Facebook, etc.
13. **Other.** What is unique about your mission? How can you help the board link with and advance the mission? If faith based, keep board members and their work together in your prayers.

*How do you measure up on these items? Which three could you do in the next 30 days?*

## WHAT BOARD MEETINGS DO FOR THE CEO

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- A. Requires CEO and management team to revisit the mission, the vision, the major goals.
- B. Forces clarity and closure on many pending matters by preparing materials and recommendations
- C. Helps CEO understand how the leaders are thinking; what concerns them
- D. Gives an opportunity for senior staff to understand how their board members think and decide
- E. Provides--only two or three times a year--fairly clear answers to the six questions all employees have, including the CEO --
  - 1. What am I expected to do?
  - 2. Why is that important?
  - 3. Do I have authority to do it?
  - 4. When I need help, where can I go?
  - 5. Are my ideas taken seriously?
  - 6. How am I doing so far?
- F. Helps the CEO clarify once again her/his own purpose and mission in life
- G. Leaves CEO with a good sense of the adjustments staff need to make
- H. Reminds CEO of how much can be accomplished by board members from various backgrounds and perspectives
- I. When CEO reports on progress, it reminds her/him of how little a CEO can do compared with helping staff and volunteers achieve common goals

BUT ... do not overdue these good things by having too many board meetings!

CEO's -- What else does a board meeting do for you???

## EVALUATING THE CEO

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1. An annual evaluation is very important, both for the nonprofit board and the CEO.
  - A. Unless directors/trustees know that they, as a full board, do a good evaluation based on criteria and performance goals they approved, the tendency is for each director to silently (or not so silently) critique the CEO based on his or her personal criteria. It is impossible to satisfy all directors using their own criteria! Knowing a good evaluation takes place each year gives board members confidence in the organization. It is often the catalyst for changes in the strategic plan. And it often helps clarify the board's role, especially in its relationship with the CEO.
  - B. If the CEO does not hear the "one voice" of the board say how he is doing, the CEO tends to try to satisfy all direct or indirect complaints of directors -- an impossible task. Or he keeps busy doing his own priorities, unaware that perhaps the majority of directors don't agree with those priorities. "Most miscommunication is a result of differing assumptions."
2. The steps of a good *annual* performance review might include the following:
  - A. The CEO and the board know a year in advance what the performance goals are. If you haven't done that, begin the cycle now anyway.
  - B. The board chair assigns a small group of directors to serve with him as the ad hoc performance review task force. Often the Executive Committee assumes this role.
  - C. Annually, the CEO is asked to give to the entire board his own written self-evaluation, tied mainly to the pre-agreed performance goals and the CEO's view of what he accomplished.
  - D. All board members are invited to provide feedback to the chair (or another assigned leader) on the CEO's report and on their own general assessment of the CEO's performance in the past year.
  - E. The board has an executive session to discuss the CEO's performance as one additional input to the evaluation committee. During this 60-minute meeting, the board would also discuss what personal priorities the CEO and the board should agree upon for the year again. Any significant compensation changes might also be discussed at this time.
  - F. The evaluation committee meets with the CEO to review the written self-evaluation and the board's reaction to it. The group also agrees on 3-5 priorities for the CEO for

the year ahead, upon which much of the following year's evaluation would be based.

- G. The chair follows up this meeting with a letter to the CEO summarizing the evaluation, stating the agreed upon goals for the CEO to focus on (maybe 50-60% of his time) in the year ahead, and provides any changes in the CEO's compensation. Information on the compensation is also given by the board chair to the CFO to implement.
- 3. Every 3-5 years, the board may want a more comprehensive performance evaluation that uses an outside consultant to interview board members, key staff, peers in the profession and community leaders. The report would be presented to the board by the consultant and, in executive session with the CEO, hear the CEO's comments on the report.
- 4. The performance goals should be more results oriented than activity oriented, i.e., the board is not paying for hours worked, but for achievements they agree are important to the mission.
- 5. When there are clear goals for the entire organization, adopted by the board, the simple statement of CEO performance is: "Achieve the results envisioned in our goals through ethical, legal and prudent leadership and, as to your personal performance, focus on the specific goals you and the board have agreed upon for the coming year." Then the board evaluates how well the goals were achieved based on periodic reports, the CEO's self-assessment, outside evaluators, and board observations.
- 6. Common categories for writing performance goals include:
  - A. Board relations/development (board reports, strategic planning retreat, etc.)
  - B. Organizational development (staff restructure, training, technology updates, etc.)
  - C. Program results (X students achieved Y, new scholarship program helped Z people, cooperative venture launched that accomplished XXX, etc.)
  - D. Finance (reserve fund reached X amount, investment policy adopted by board, new budget system adopted, X new sources of funding, Y total foundation grants, etc.)
  - E. External relations (joint venture signed with Y organization, articles on organization appeared in X publications, etc.)
  - F. Personal growth and leadership (attended workshop to learn X skill, kept travel calendar down to goal of X nights away per month, etc.)

7. Good performance goals should be ...
  - A. Representative of that 50-60% of a CEO's time when he should be proactively leading, not just doing the routine work of the job.
  - B. "Owned" by both CEO and board through honest discussion.
  - C. Reviewed informally by the CEO and board a few times during the year.
  - D. Modified whenever the CEO or board feels it is justified.
  - E. Used as the point of reference when the CEO develops performance goals for those reporting to her.
  - F. Shared with all staff, as appropriate, to help them appreciate why the CEO does what he does.
  - G. "Measurable" either by factual data collected and distributed to the board or by the board's own collective judgment based on what members have seen or heard from external constituents through the year and by what they experienced personally in their volunteer and governance roles with the organization.
  - H. The basis for the CEO's written and oral reports to the board throughout the year.
  - I. The primary basis for the CEO's written self-evaluation at the end of a year.
  - J. The basis for a results-oriented evaluation by the board of its CEO (as opposed to making issues of style or personality the focus of the evaluation).
8. For CEOs, a compensation adjustment is usually one of the outcomes of the annual evaluation. CEO compensation is not just a salary, but should include other benefits that are customized to fit the CEO and the organization. A contract, or a letter from the chairman should include the base salary, amount of vacation, expenses authorized to be reimbursed by the organization (including spousal expenses for organization activities), authorization to speak or consult for personal fees, information on an organization provided car or car allowance, extra insurance, severance amount if terminated involuntarily, etc.

Good CEOs are hard to find and important to keep!

Another Resource: *Assessment of the Chief Executive: A Tool for Governing Boards and Chief Executives of Nonprofit Organizations*. A 36-page booklet published by BoardSource, 1828 L Street, NW, Suite 900, Washington, DC 20036. 800/883-6262 or [www.boardsource.org](http://www.boardsource.org).

## WHO IS THE CEO OF YOUR NONPROFIT?

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In many nonprofits, especially those which are new, small, or depend primarily on volunteer leadership, it may not be clear whether any one person has authority as the "chief executive officer." This is usually a full-time, paid staff member. But it could be a part-time volunteer in certain circumstances. Is everyone clear who your CEO is?

Reasons why every nonprofit should designate a chief executive officer ....

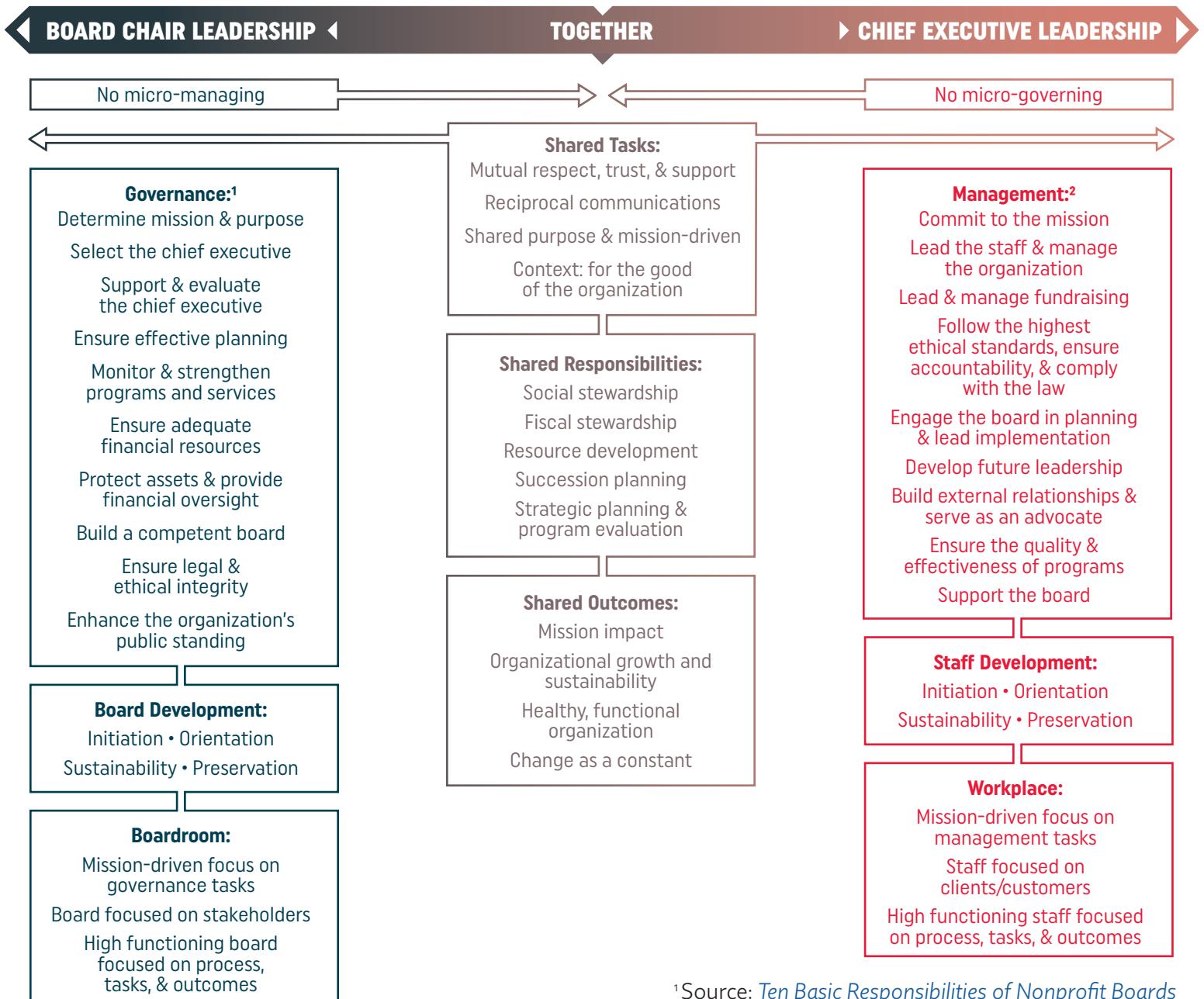
1. The Board of Trustees (Directors) needs one agent to implement policy.
2. The Board needs a CEO to work with the Chairman of the Board on board development.
3. The CEO should take the lead in the strategic planning process.
4. Staff (whether paid or volunteer) need the security of knowing who's in charge.
5. Donors feel confident when they know "who is running the place."
6. Vendors, banks, insurance agents, et al often want to "talk to the boss."
7. One clearly designated as CEO reduces competition, end runs, confusion.
8. The organization needs a primary "spokesman" who articulates the mission clearly.
9. One CEO can be held accountable to get decisions made in a timely fashion.

Points for discussion ...

1. Has there been confusion about who is accountable for fulfilling board policy?
2. Is it reasonable in your organization to have a volunteer "chief executive?"
3. Could your chief paid staff person function as the chief executive, given clear board policies that set the goals and define the parameters of executive action?
4. If you choose not to designate a CEO, is there a clear process of delegation about which the entire board and staff are comfortable?
5. If you are not ready to designate your top paid staff person as the chief executive, what conditions would need to be met for that to happen in the future?
6. Is it reasonable for a volunteer to give almost daily attention to the details of the organization's office? And is this person willing to be accountable to the board for implementation of the board's policies, having the chief paid staff person report to this volunteer CEO?

# THE BOARD CHAIR & CHIEF EXECUTIVE PARTNERSHIP

The partnership of the board chair and chief executive provides a structure for accomplishing the tasks of the organization. Governance and management complement and support each other — together focused on mission through different perspectives and actions. The partnership itself is critical in providing a communications headquarter for sharing information, addressing issues, and planning next steps appropriate to the individual and collective responsibilities.



<sup>1</sup>Source: [Ten Basic Responsibilities of Nonprofit Boards](#)

<sup>2</sup>Source: [The Nonprofit Chief Executive's Ten Basic Responsibilities](#)



## **FACTOR IN THE HUMAN FACTOR: BUILDING A STRONG BOARD CHAIR-CEO PARTNERSHIP**

*By Mindy R. Wertheimer, PhD, LCSW, director, MSW Program, School of Social Work,  
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*It's real people — with their individual strengths, weaknesses, and interpersonal styles — who bring an organization to life and affect its ability to succeed. And real people who serve as board chairs and CEOs. When attentive to their human factor as individuals and as partners, great things can happen; when inattentive, dysfunction will follow.*

What makes for a great organization? For nonprofits, greatness translates into accomplishing mission within the context of limited resources, embracing opportunities, thwarting threats, building strengths, and confronting challenges. Of course, an organization itself does not possess this ability. An organization is an object, an entity. It's people who bring an organization to life, who define it as one that can — or cannot — maximize its mission-driven impact. Organizations need people with the right skills, knowledge, and synergy to accomplish greatness. This is the human factor.

An organization's human factor is embedded in the leadership of the chief executive and board chair, and it must be mobilized within these two individuals before it can be harnessed in others. To move a nonprofit forward through changing social, political, and economic conditions, it requires a board chair and a chief executive who

- take assertive stands and are intentional in the context of what's best for the organization
- are willing to take responsibility and operationalize the proverbial "The Buck Stops Here"
- have vision and purpose in the context of organizational needs
- have passion and commitment to the organization and to bringing this out in others
- are inclusive and make/facilitate decisions based on a diversity of voices
- have the ability to harness the human dynamics that affect organizational process and, consequently, organizational outcomes
- are both teachers and students of leadership, management, and governance

Great organizations have board chairs and chief executives who lead and take responsibility on the one hand and

embrace inclusiveness, delegate, and empower others to have a voice on the other hand — all in the context of serving the organization.

### Use of Self

The first step in building strong governance and management leadership combines two parallel tasks for both the board chair and the chief executive:

1. Understand your job description.
2. Know thyself.

A clear job description provides a starting point for understanding the responsibilities and tasks at hand. How you execute these responsibilities and tasks depends on who you are — your values, preferences, traits, attitudes, biases, interests, expertise, skills, and knowledge. Self-awareness of who you are and how it's applied in your interactions with others is *use of self* — a concept that acknowledges the uniqueness of each individual.

When executing either the management or governance leadership role, you merge the respective job description with your personality and interpersonal style. Even with the exact same job description, no two individuals execute their respective role and responsibilities in the same way. The differences in execution can be attributed to how you operationalize your "human factor." The goal is to find the balance between the personal and the professional while avoiding emphasis on one or the other that in either extreme can lead to dysfunction in your role execution — being too relaxed and too personal vs. being too rigid and too professional.

Let's meet a few board chairs and chief executives who are struggling with balance:

- Joe is an experienced board member, a friendly guy, and a strong ambassador for his organization. Now, as board chair, he is content with having the chief executive take the lead in most governance tasks, to the chagrin of the chief executive and other board members. Joe's laid-back demeanor is getting in the way of executing the responsibilities of his board chair role.
- Julie, a chief executive, has had several successes in her role, especially around fundraising, but she doesn't assert herself in challenging situations. She is allowing

her non-confrontational personality trait to dictate her management behavior.

- Kyle, another chief executive, is all-business. He is known for making quick and firm decisions, often without consulting others. His assuredness and inflexibility is alienating staff members and affecting their productivity.

## Developing the Partnership

Here are a few more board leaders and scenarios you might relate to:

- Pablo, a new board chair, wants to expand the board's role to include conducting performance evaluations for all key staff members.
- For years, Connie, a chief executive, has created the board meeting agendas for her board chairs. When Steve, the new board chair, questions her about this task, Connie suggests that board chairs are too busy to be bothered with meeting agendas so she is actually helping him.

As board chairs and chief executives find their own role execution balance, they also must work together to create a professional partnership. Parallel leadership is not enough to guide an organization forward. It's the partnership of the board chair and the chief executive that promotes organizational greatness . . . or not. One hopes that there is a good, natural "fit" between the two individuals to serve as a base, but this is not always the case, and both partners are challenged to work hard to create a functional working relationship.

The greater challenge for a chief executive is the one-to-three year cycle of having to establish a new relationship with a new board chair. This requires flexibility and openness to what a new individual brings to the board chair role. Ultimately, this creates a synergy different from the last partnership, and, hopefully, one that is enveloped in the context of appropriate management and governance roles and responsibilities. No micro-managing — as Pablo is suggesting — and no micro-governing, as Connie is used to!

As stated in *The Board Chair Handbook*, the relationship between the board chair and chief executive should be based

on three principles, each of which needs to be consciously applied to support the development of a strong partnership:

- mutual respect, trust, and support for each other and the partnership
- reciprocal communications
- shared purpose and mission-driven

A primary challenge in building this partnership is each individual's personal and professional biases and preferences in trying to define the partnership. Again, it's important to strike a balance between the two extremes — between being too relaxed and being too rigid. Remember, you are partners working toward a shared purpose.

Chief executives and board chairs have separate and shared tasks related to management and governance. Articulate the shared tasks, particularly around fundraising and resource development, along with a plan for operationalizing them. Both of you must understand how each one of you contributes to the shared tasks, placing emphasis on your respective role execution around these tasks. Even chief executives who have longevity in an organization must have these discussions with each new board chair. Don't make any assumptions as to who should do what based on past experiences or perceptions (as Connie did).

The partnership of the chief executive and board chair is a means to an end. It provides a structure to a process for accomplishing tasks. Governance and management complement and support each other — both focus on mission, but through different perspectives and actions. The right hand needs to know what the left hand is doing and vice versa. Therefore, the partnership is critical in providing a communications headquarters for sharing information, addressing issues, and planning next steps appropriate to governance's and management's separate and collective responsibilities.

## Practicing Social Stewardship

While the human factor begins with the board chair and chief executive, it extends to all other staff and board members. Inherent in the chief executive and board chair roles is the responsibility for social stewardship, for overseeing and supporting staff and board members and

their working relationships in the context of organizational mission and doing what's best for the good of the organization.

This scenario provides an example:

Bill, a board member, and Tyler, a fund development associate, have been asked to plan a fundraising event. Bill, who is a take-charge type person, begins to do just that. After two planning meetings, Tyler complains to the development director that he has no input into the event and indicates that Bill is making decisions without any concern for the impact on the nonprofit's costs, resources, and time. Bill seems to think that Tyler is there to listen and take notes. The development director then discusses the situation with the chief executive, who in turn shares it with the board chair. The chair meets with Bill to get his take on how the planning for the fundraiser is going and to explain the role of the staff development associate and how important it is for Bill to partner in this task.

Lesson learned: Each person has specific responsibilities and discussing who does what needs to happen at the beginning and at intervals to check that the partnership is functioning appropriately in accomplishing the task. By attending to the human factor, you acknowledge that how individuals carry out their responsibilities impacts mission outcomes.

Author Jim Collins writes about the importance of "getting the right people on the bus." However, the work for the chief executive and board chair does not end there; in fact, it is just beginning. Social stewardship recognizes that each individual working in any capacity for an organization should embrace a balanced role execution and be given tools and support for achieving this balance. Having a clear job description and balancing it with one's personality, interests, expertise, and interpersonal style provides the necessary foundation for organizational greatness.

### **Resources**

[The Board Chair Handbook by Mindy R. Wertheimer, Ph.D.](#)  
[BoardSource.](#)

[Building the Governance Partnership: The Chief Executive's Guide to Getting the Best from the Board by Kathleen A. McGinnis and Sherrill K. Williams. BoardSource.](#)

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## THE ROLE OF THE BOARD CHAIR

As the chief volunteer officer, the board chair is responsible for leading the board. This position demands exceptional commitment to the organization, first-rate leadership qualities, and personal integrity. The chair must earn the respect of fellow board members to be able to meet the challenges of this position.

### **Chair/Chairperson/President?**

What should the chief elected officer be called? The least confusing title is chair or chairperson. As many organizations call their chief executive officer 'president,' to avoid confusion, it makes sense to reserve that title for a staff position and use chair or chairperson for a board position.

### **Leader of the board**

To function effectively, groups need a leader. A board leader is approachable and available. He or she is objective and listens actively. He or she needs to be a strategist, knowledgeable about the organization and board practices, a coach, and a conciliator. Finally, he or she must be respected in the community. The chair most commonly performs the following functions:

- Serves as the contact point for every board member on board issues.
- Sets goals and objectives for the board and ensures that they are met.
- Ensures that all board members are involved in committee activities; assigns committee chairs.
- Motivates board members to attend meetings.

### **Facilitator of board meetings**

One of the trickiest responsibilities of a chair is to run effective and productive board meetings. Effective meeting facilitators must be able to:

- Create a purposeful agenda and follow it.
- Know how to run a less formal and productive meeting.
- Engage each board member in deliberation.
- Control dominating or out-of-line behavior during meetings.

If the board chair is not able to lead an effective meeting, it is better to delegate that task to someone else (like the vice-chair) rather than risk unproductive or boring meetings.

### **Should the chair vote?**

The chair has the same right to vote as other board members. Some chairs vote, while others abstain and vote only to break a tie.

### **Relationship with the chief executive**

Both the chair and the chief executive of the organization need to support, consult, and complement each other. Both have their own responsibilities — the chief manages the operational activities and the chair leads the board. Both share power in their mutual pursuit to advance the mission of the organization. To make this happen, they need to communicate openly and regularly.

This partnership needs constant attention. Personalities change but the positions remain. Each partner needs to adapt to and cultivate the working relationship.

Think of the chief executive as the gatekeeper for the staff and the chair as the gatekeeper for the rest of the board. This helps to prevent miscommunication and it allows both leaders to stay aware of each other's needs.

### **Succession planning**

A well-conceived succession plan for leadership positions prevents too much power from being concentrated in the hands of a few. Start by recruiting board members with demonstrated leadership qualities to avoid running out of qualified candidates. Your governance committee should provide continuous opportunities and training for board members to create a pool of leadership candidates when a new election is in order.

Involve the full board in the leadership succession process. Define the necessary qualifications. The governance committee should consult with each board member for nominations and eventually, through feedback, bring a single candidate to the board for election. This process avoids the notion of winners and losers while stressing consensus and group decision making.

### **References**

*The Board Chair Handbook*

Available at [www.boardsource.org](http://www.boardsource.org) or by calling 202-349-2500.

# Board Leadership

*helping leaders govern organizations effectively*

Issue 123

## The Ideal Chair

### **Put your best Chair forward or expect mediocrity**

The movie *Amadeus* highlights the challenge of matching the needs of society with the abilities of people. Wolfgang Amadeus Mozart, the most gifted and talented composer, was manipulated by Salieri so that a much less competent composer—Salieri himself—would write and conduct music for the Emperor. Salieri was jealous of Mozart's talents. He was self-focussed instead of serving the Emperor and the best interests of the people. He used his position to manipulate and destroy Mozart. Everyone, even Salieri, lost in the end.

Reflect on this story and ask yourself if the most capable person on your board is serving as chair. Have you seen a board policy that says the chair position will rotate each year, instead of allowing the most gifted person to fill the position? Have you seen members of the board act like Salieri and find ways to manipulate or hinder the most suited person from becoming chair due to their self-focus or their feeling that all board members deserve a chance at the position?

The best person for the important leadership role of board chair is the one with the greatest skills and commitment to do the job. This enables the board to be its best and the organization to excel. Let's explore the qualifications and behaviours that typify a great board chair.

### **The Ideal Chair**

The role of the chair is a pivotal one for any board. But just what makes a great chair? We interviewed and surveyed dozens of board leaders and CEOs to help us answer that question. In the survey, we asked three questions:

1. What are the most important qualities of a chair?
2. What are the most critical points a chair needs to embrace for effective meetings?
3. What are the most significant mistakes chairs make?

### **And the Survey Says...**

Fifty percent of the respondents said they expect the board chair to have great listening skills and to be fair and consistent. We anticipated the overarching priorities would be great leadership skills, people

skills, public speaking ability, and consensus building skills. Rather, responses focused on more basic qualities which many board chairs apparently are lacking today.

The ability to listen was identified as a more important quality of the chair than the ability to speak for the board. Board members expect a chair to hear the words and interpret the non-verbals expressed by board members. They want a chair to discern the mood of the meeting and lead accordingly. Only after he really listens can a board chair speak on behalf of the board as a whole.

Being fair and consistent includes withholding personal perspectives on issues and encouraging the ideas of others. Effective chairs focus on the needs of the board rather than expressing their own opinions on agenda items.

Focusing the board on the future, being a consensus builder, and being respectful were other frequently identified qualities. These qualities involve great people skills and a results-oriented focus.

Other important qualities of chairs commonly mentioned were open mindedness, good leadership and people skills, self confidence, decisive, tactful, well organized, and discerning. The survey results stated that the chair is to be knowledgeable about the topics being addressed, yet stay neutral and out of the discussion. He is responsible to focus discussion on the agenda items, engage and inspire others, and summarize discussion. Having some history and appreciation of the organization and the owners' interests was another quality identified to enable the chair to lead the board so it serves on the owners' behalf.

#### **Top 5 Qualities of Chairs**

- Good Listener
- Fair and Consistent
- Focused on the Future
- Consensus Builder
- Respectful

#### **Role of the Chair in Effective Meetings**

As is obvious from the observations outlined above, the expectations upon a chairperson go far beyond the function of chairing meetings. However, the chair has a critical role in ensuring effective meetings. The survey confirmed that the chair is to encourage board members to express their perspective on issues. The quieter board members have much to offer. Dominant board members who monopolize the discussion discourage others from sharing their perspectives and compromise the team atmosphere. Various techniques are available to gain a broader perspective and full group participation. Breaking the board into smaller groups to obtain input and asking individual board members their opinions are two simple examples.

It is imperative for the chair to manage time well. He must arrive at the meeting ahead of schedule and then start the meeting on time, with or without all board members present. He is wise to set appropriate time lines to ensure discussion keeps moving and the meeting ends at the designated hour. He is responsible to open up and end discussion as necessary, discerning the will of the board.

Survey responses clearly stated a strong expectation that the chair focus the board on the agenda topics, underscoring the frustration board members experience when the discussion wanders. They do

not appreciate when deliberations drag out. They do not want individual board members or the CEO to unilaterally take over an agenda item. They want efficient, effective meetings. One common concern uncovered in our survey is that board members detest meetings that go too long. An effective chair will exercise leadership and stop discussion when the board is ready to make a decision.

Other responses were that board members want a meaningful agenda and discussion. They expect the chair to be knowledgeable of parliamentary procedures, to be prepared, to summarize discussion, and to be impartial. He is expected to exercise the leadership of the position, to focus the meeting on the agenda, and to deal with challenging board members. We encourage all chairs to build an effective team by praising board members' excellent performance in public and disciplining them in private.

### **Top 5 Roles of a Chair for Effective Meetings**

- Keep on topic/agenda
- Facilitate full participation
- Manage the time
- Keep the meeting moving
- Come prepared for the meeting

### **Common Mistakes by Chairs**

The number one complaint identified by the survey is that board chairs do not follow the agenda and keep discussion on topic. Agendas are adopted by the board as a whole and are meant to be the guide for all discussions.

The chair is responsible to ensure the board follows its processes. When a chair allows board members to move off the agenda he is not fulfilling his role and is not serving the best interests of the board. The result is frustration and apathy as time is wasted and effectiveness diminished. The chair is to courageously follow the agenda even when opposed by an individual board member, unless the board as a whole agrees to revise the agenda.

A second common mistake of chairs is that they do not balance board discussion. This concept, expressed as critical for conducting effective meetings, is also shared as a common mistake. Even though each board member has a responsibility to participate, the chair is clearly expected to balance the participation and help quieter members share their views.

Another criticism of chairs is that they do not take leadership. The survey revealed that board members want a chairperson to be the leader of the board. Directors want a chair they can follow. The chair is expected to draft a meaningful agenda for board meetings with input from the CEO and other board members. He is typically the board spokesperson to the press, at annual meetings, and with the CEO. As the board spokesperson the chair always speaks the voice of the board and never shares his own opinion publicly. Effective chairs facilitate issues and deal with conflicts that arise. They do not ignore conflicts, hoping they will go away. Rather they work to resolve these conflicts and build consensus and relationships. The chair is expected to take further leadership by holding the board accountable to its own policies.

The chair often does not stop the discussion on an agenda item soon enough. He is expected to stop discussion and call for a vote or decision when people are repeating each other, when no new information is being brought forward or when the time allotment for the item is past. The chair can encourage that the item be tabled to a future meeting when the board needs more time to reflect on the issue or more information to make a quality decision.

The fifth common concern about the chair leading meetings is that he doesn't let the board as a whole control what is on the agenda and determine what decisions are made. When the discussion leader is involved in the discussion, he is frequently perceived as controlling the decision. This often results in resistance and less respect thereafter. If the chair wishes to speak on any agenda item, he may pass the role of leading the discussion on that item to the vice-chair.

One of the challenges of being an effective chair is keeping one's ego in check—to truly serve the people and the board instead of expecting the board and its members to serve the chair. When pride or a sense of power becomes the reason to be chair of the board then problems will result. An age old proverb is that pride comes before a fall. Another well-known quotation is that 'power tends to corrupt and absolute power corrupts absolutely.' Board chairs can easily slide into these pitfalls when things are going well, when they receive compliments, or when they want to control a decision or direction.

The chair is to understand that his role is to serve the board. The position is not one of control, popularity, or prestige. Chairs can be most effective when they are evaluated on how they serve the board—when they know the expectations of the board and each board member and receive feedback on their performance. By being aware of these expectations, he can more easily anticipate issues that will impact the board and individual members and deal with these issues more effectively. In this way, he provides true leadership.

#### **Top 5 Mistakes of Chairs**

- They do not follow the agenda or stay on topic.
- They do not ensure balanced participation.
- They do not take leadership and fulfill the expectations of the position.
- They do not limit discussion.
- They do not allow the board as a whole to control the agenda and make decisions.

Other common mistakes of chairs identified in the survey were: not being prepared, taking authority/power personally instead of understanding the influence/authority that is bestowed on the position, not knowing parliamentary procedure, not being knowledgeable of the organization, and getting into operations and content during board discussions.

#### **Ten Top Traits of Champion Chairs**

Building on the broad input from Marten Mole, an experienced board member and chair, and many leaders who together have generously shared their perspectives, we offer this compelling profile of champion chairs.

*Outstanding record of integrity and trustworthiness.*

Character qualities are an absolute must of any person serving in this highly responsible role.

*Bias to take leadership*

Champion chairs don't sit still in a leadership vacuum. They take action. People naturally want someone to follow. They expect the chair to fulfill the role as leader of the board when handling meetings, addressing problems in the organization, and confronting challenges within the board.

*Passion for the organization and its mission*

Without passion fueling the chair's investment, he will only be doing a job. The role demands more. Having a vision for what the organization could be will drive his commitment to do much more.

*Excellent communication skills, both written and verbal*

Communication is a two-way process that allows for exchange of meaning. Listening is essential—some say we have two ears and one mouth and they should be used in this proportion! When the chair has spoken—or written—you want people to understand the message clearly.

*Self-confidence balanced with humility*

People are looking to follow someone who knows where he is going. Self-confidence is key. But taken too far, it is dangerous. Humility keeps it in check. And humility provokes him to seek feedback from his peers, to be open-minded to the opinions of others, and to ask board members what they expect of the chair.

*Commitment to building a high-performing leadership team, promoting both results and relationships.*

Regardless of the type of organization, results are required or the organization fails. The champion chair artfully combines a determination to get results with an understanding that results come from people. Highest results come from a team that knows each other and draws on each others' strengths and talents, supporting every individual.

*Solid understanding of the distinction between governance and management*

The experiences of each director will lure them into operational details so the chair is pivotal in helping the board do the board's job and allowing management to do its job.

*Thorough knowledge of meeting procedures*

Whether it is parliamentary procedure or some other shared code of operating a meeting, the chair must know it and follow it naturally so everyone can relax and focus on the purpose of the meeting rather than the process.

*Ability to build consensus*

Decision making is not about majority votes. It is about acquiring the best answers to challenging problems. Consensus builds commitment to a course of direction and reinforces the value of teamwork.

*Familiarity with people, public relations, and 'politics'*

Savvy in dealing with people and in the public arena is a critical skill for the chair who will typically be called upon as the spokesperson. He will need to be aware of the games people play and the traps they tend to set.

**Summary**

There are many competencies and character qualities that come together in a high performing chair. The role and expectations of the chair will vary according to the type and size of the organization and the challenges it faces at that particular time. The chair is not a position for all board members. Each board member should not automatically get a turn. Rather, directors are encouraged to ask themselves, "Who has the greatest qualities to fulfill this important task on our board?" With the best person selected to the position, boards and organizations will be on their way to greater success, effectiveness, and efficiency.