

The Role of the Board versus the Chief Executive

Effective Boards have good working relationships with their organization's chief executive (Executive Director or President/CEO). That requires mutual understanding, agreement, and continued focus on the role of the Board versus the chief executive. Role confusion is one of the most common sources of difficult relations between community-based organization Boards and staff.

Board versus Staff Roles: The basic division of labor is as follows:

- **The Board of Directors sets policy.** The Board of Directors of an organization is responsible for setting organizational policies, authorizing programs and expenditures, and providing program and financial oversight (governance).
- **The chief executive implements policy and programs.** The chief executive (directly and through staff supervised by the chief executive) is responsible for implementing these policies and programs (management).

Gray Areas and Exceptions: Unfortunately, the lines are often less than clear, and the Board and its individual members are sometimes involved in activities that do not involve policy making. In such situations, the usual rules of Board authority do not apply:

- **Fundraising:** Most nonprofit experts agree that Boards need to be involved in resource development. That's an essential task to ensure that the organization has the funds to implement the policies and programs the Board has approved. The Board generally helps develop the fundraising plan, and then helps implement it, but always in coordination with the staff, who have primary responsibility for resource development.
- **Volunteering:** It's wonderful when Board members serve as program volunteers, whether that involves serving as coaches for high school students preparing for college, packing boxes of groceries at a food bank, or participating in local advocacy efforts. But when Board members volunteer, they are supervised by the staff member in charge, just like any other volunteer.
- **Spokesperson role:** In most but not all nonprofits, the chief executive is the spokesperson for the organization (in a few nonprofits, the Board Chair has this role). If the chief executive is the spokesperson, the Chair and other Board members may represent the organization externally, but they are careful not to speak on behalf of the nonprofit unless authorized to do so. On issues of advocacy, they present not their own views but the positions approved by the Board. Usually they present statement prepared by the staff. Individual Board members usually do not speak to the press on behalf of the organization except as part of an organized campaign.

- **Individual members vs. the Board as a body:** The Board has the authority to hire, evaluate, and fire the chief executive, and to set policy. It does these things in meetings, acting as a body. Individual Board members do not have the right to tell the chief executive what to do – unless the Board delegates that role temporarily, usually to the Chair. No chief executive can do a good job while trying to please multiple supervisors!

Board Micromanagement

There can be a fine line between holding a chief executive accountable and micromanaging – a situation in which the Board seems to scrutinize or question every action, decision, and dollar spent by the chief executive. This can lead to tension and feed distrust, and is a major reason why some chief executives leave their jobs. Often, micromanagement occurs around expenditures. For example:

- The Board has discussed and approved an annual budget that includes \$5,000 for preparing new brochures and other marketing materials. When the chief executive reports some months later that a marketing package including a brochure has been completed at a cost of \$4,300, several Board members ask why they weren't asked to approve the expenditure. *The chief executive acted appropriately because the Board this specific expenditure was detailed in the budget and discussed by the Finance Committee before the Board approved the budget.*
- A financial report submitted to the Board shows expenditures of \$16,400 for a technology upgrade including technical consultation and purchase of computer equipment. The approved budget included \$18,000 for this purpose, and the overall plan was discussed and approved by the Board as part of its most recent strategic plan. A Board member asks why the Board wasn't involved in the purchasing decision, and the chief executive explains that the staff followed internal procedures that involved competitive bids. *The chief executive had authorization to do the upgrade and followed internal procedures by getting expert assistance in determining needs and obtaining multiple bids. It is reasonable for the Board to want reassurance that internal procedures were followed, but not for members to tell the staff how to carry out an approved task.*
- The organization's service-based revenues are down due to the COVID-19 pandemic. After reviewing quarterly financial reports with the Chief Financial Officer at its regular meeting, the Audit and Finance Committee directs the CFO to cancel an in-process contract for repairs to a senior center in order to save money. *The Committee does not have the authority to make such a decision or to give direction to the CFO, who is supervised by the chief executive. If the Board has concerns, they need to be discussed by the full Board with the chief executive present. It is appropriate for a committee to ask whether the reduced revenues will lead to a budget deficit, and if so, what the chief executive and staff plan to do to prevent a deficit at the end of the year.*

It's important to understand why individual Board members or the Board as a whole question, second-guess, or try to limit the decisions or actions of the chief executive. Here are some reasons for micromanagement, which need to be explored, discussed, and resolved:

- **Good intentions:** Board members take their oversight role very seriously and are not aware when they are crossing the line into micromanagement.
- **Changed Board roles:** The organization recently made the transition to a professional staff model, so Board members are used to active involvement in programmatic decision making.
- **Lack of orientation and training:** Board members did not receive needed orientation and training on Board versus staff roles, and they don't understand them.
- **Prior experience on dysfunctional boards:** Some Board members have served on dysfunctional Boards that did not respect boundaries, and they have brought those habits to this situation.
- **Board concerns about chief executive or staff competence:** The Board lacks confidence in the chief executive or the staff more broadly, perhaps because the Board has limited interaction with staff outside meetings and has been disappointed in what they have seen – for example, Board materials are incomplete, poorly prepared, or sent out late; or financial reports have errors.
- **Perceived chief executive views on Board supervision:** Board members do not feel that the chief executive fully recognizes and accepts the Board's right to supervise, evaluate, and set compensation for the chief executive.
- **Power dynamics:** The chief executive and Board Chair (or other key Board members) have a competitive relationship, or there are multiple factions on the Board who hold differing views about the Board-staff relationship and the chief executive is caught in the middle.

Here are a few issues to consider in building a good, trusting relationship:

- **Job description:** Develop a detailed and specific job description for the chief executive – and then follow it. The job description should state that the chief executive reports to the Board and list the major position responsibilities, including those related to staff supervision, agency and fiscal management, resource development, and Board relations. For example, the chief executive reports to the Board; all other staff report to the chief executive.
- **Board Roles:** Prepare a clear description of the roles and responsibilities of the Board and be sure all new members receive a solid orientation so they understand them.
- **Board Chair's Responsibilities:** Prepare and adopt a position description for the Board Chair. It should include clarification of the Chair's responsibility for interacting with the chief executive on the Board's behalf.
- **Board Supervision of the Chief Executive:** Establish and follow clear Board policies and procedures that clarify how supervision is provided by the Board or Executive Committee. The policies should also specify what Board members will NOT do, such as bypass the chief executive to seek sensitive information from other staff, attempt to provide individual supervision to the chief executive, or act on behalf of the organization on matters which have been delegated to the staff. Policies and procedures should also specify the responsibilities of Board committee chairs and how they are to interact with staff.

- **Fiscal Oversight:** Ensure that there are clear policies and procedures regarding how planned expenditures are to be described in the annual budget, what types and levels of expenditure require prior approval, and when and if the Board is involved in choosing vendors or contractors. Similarly, ensure that internal fiscal management policies specify when competitive bids are required and how purchases are to be handled – including when the Board is to be involved.
- **Staff Interaction with the Board:** Give all staff clear direction regarding the relationship between Board and staff, including what kinds of contact with individual Board members are desirable and appropriate, and what types of communication should be left to the chief executive.
- **Gray Areas:** Address Board versus staff responsibilities when planning for any activity involving “gray” areas, for example in planning a special event and other resource development and program-related tasks that Board members may undertake.

Both Board and chief executive should do everything possible to maintain open, regular, and frequent communications, so that questions of responsibility and any potential tensions are raised and dealt with on a timely basis.

The Chief Executive’s Role at Board and Committee Meetings:

- Work with the Board Chair to develop the agenda for Board meetings, to make sure that issues and action items the organization needs to address are on the agenda.
- Be sure that all needed materials to support discussion and decision making are prepared, reviewed, and sent out well ahead of the meeting – this provides the Board with information needed to do their job, and also helps keep meeting on track.
- Provide regular reports on progress toward organizational goals (ideally, developed through a Board-staff strategic planning process).
- Ensure that there is a Board Liaison in place to manage Board and committee meeting logistics and support the work of the Board – this can be a part-time role for the chief executive’s assistant or some other staff member, but a primary contact is important.
- Participate respectfully in the discussion (it’s their meeting) and be ready to help the Chair when asked to do so.
- Be sure staff understand that their role in a Board or committee meeting is to present information and support the process.