



Guide to Positive Staff-Board Relations for Directors of Not-for-Profit Organizations

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Fourth Edition





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INTRODUCTION

The aim of this publication is to help improve the relationships that exist between board members and paid staff in not-for-profit organizations, and thus promote organizational excellence. While written specifically with not-for-profit associations in mind, the situations addressed in this publication, and the remedies proposed, are of value to any organization governed by a board.

This publication uses the following definitions:

Board: refers to the elected governing body of a not-for-profit organization, most often referred to as board of directors or board of governors.

Chair: refers to the chief elected officer, most often referred to as chair of the board or, in some instances, president. This is a volunteer (unpaid) position, the occupant of which serves as chair at meetings of the board.

CEO: refers to the chief executive officer or the most senior paid staff person, often holding the title of president or executive director.

By taking on the responsibility to govern, board members must assume the role of visionaries. As the organization's trustees, they must be in touch with the needs of those they serve, keep abreast of internal and external changes that may have an impact on the way the organization conducts business, and have the confidence and leadership skills that allow them to do just that. Governing isn't easy.

However, it's not uncommon for board members to focus their efforts on matters other than achieving the organization's vision and/or mission. In fact, many organizations governed by boards fail to even establish a vision! Without a vision, accompanied by organizational objectives and priorities, not-for-profit staff often have to guess what the board wants the organization to accomplish. Staff performance appraisals are carried out rarely, if at all. Accountability simply doesn't exist.

This publication provides not-for-profit CEOs and staff members with the means to educate their boards about governance, and challenge their boards to assume their roles as visionaries. A board focused on determining stakeholder needs and organizational priorities should no longer have the time or desire to interfere with day-to-day operational decisions.



That being said, we are well aware that the relationship between boards and their staff, even in cases where the board has assumed its leadership role, can be fraught with difficulties. Contributing causes may include ineffective communication, lack of trust, or the inability to work as a team. These issues and many others are addressed in this publication. With each we offer some suggestions as to how these obstacles might be overcome.

We view this publication as an opportunity to stimulate discussion between boards and not-for-profit staff, and to bring about change. Our objective is simple: to improve the relationships that exist between boards and staff and thereby contribute to enhanced organizational effectiveness. The two go hand in hand.





CHAPTER 1: WHERE STAFF AND BOARDS FALL SHORT

In this chapter, we examine some of the areas where both staff and board members often fall short of excellence, and present recommendations for achieving a more effective outcome.

1. Defining and Adhering to Staff/Board Roles

Common Situation

Without doubt, the failure of not-for-profit organizations to clearly define the distinct and separate roles of the board and staff is the single, largest contributor to organizational impotence. In these circumstances, board members constantly struggle to maintain control over the organization—they spend their time on operational details, such as reviewing and approving accounts to be paid, discussing office equipment needs, or choosing which images should appear in a brochure or on the website.

As a consequence, staff decision-making abilities are hampered by the need for board approval on a myriad of items. Some board members begin to view their work as trivial and lose interest, while others feel they don't have enough time to "stay on top" of what staff do each and every day. Staff feels as though the board doesn't trust their ability to make even minor decisions. Recruiting new board members and staff becomes a regular activity. Organizational progress is impossible.

Desired Situation

In the late 20th century, not-for-profit organizations began to recognize the need to change their way of doing things. As a result of this heightened awareness, there exists today a far greater understanding that boards must focus on what the organization is to accomplish, while staff focuses on how those objectives will be achieved. This attention to board process has paid huge dividends for those not-for-profits that have committed the time and resources necessary to affect real

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change in the way they discharge their separate and distinct responsibilities.

Board members who truly govern their organizations feel a real sense of accomplishment. In addition to knowing that their work is valuable, they ensure greater control over organizational outcomes through their policy-making functions and their work determining strategic directions. These boards also find themselves capable of holding their CEO accountable for organizational outcomes through an objective and simplified process of performance management.

In the meantime, CEOs are free to use their skills, competencies, knowledge, and creative talents to further the organization's goals, within the bounds of board policy. Board expectations are clear—the CEO knows at the outset how their performance will be measured. There is no duplication of effort on the part of the board and the CEO, and little or no time is wasted debating who is responsible for what, or within whose authority a certain task may lie. We have had the opportunity to witness this transformation, and the organizational impact can only be described as phenomenal.

Barriers

Not-for-profit boards that haven't yet developed policies to define staff and board functions, and those boards that fail to reach an annual agreement with the CEO on organizational objectives, will likely find a host of reasons to maintain the status quo. Here are some of the barriers and objections the change champion is likely to face, and some suggested responses:

/we don't have the time: Yes, affecting change takes time. A significant time commitment will be required up front to develop a new organizational framework and/or to determine organizational objectives. Over the longer term, however, items of a trivial or irrelevant nature will be removed from the regular board agenda. They will be replaced with meaningful debate and discussion, the results of which will have significant organizational impact. And if your recruitment criterion for board members doesn't include a requirement to commit a specified amount of time to serve effectively, it should be modified.

Resistance to change: The unknown always arouses a certain level of nervousness or anxiety—that's human nature. You may have among your board some long serving members who see the move for change as a sign of disrespect for the manner in which they have operated



the organization in the past. Efforts should be made to ease these concerns by promoting the change as a new development.

Financial resources: If we had the solution to this consistent challenge in the not-for-profit world we'd be authoring a different type of resource. We repeat, though, what we noted at the outset: operating not-for-profit organizations without the benefit of defined board and staff roles is the single largest contributor to unhealthy staff-board relationships. If you see your organization in the description above, find the funds needed to implement change—the productivity improvements themselves will be well worth the investment.

Recommendations

- Expose the board to information about governance. There are a number of publications and other resources available that can shed light on this important subject. For a list of publications that may be helpful, visit CSAE's online bookstore at www.csaе.com/bookstore. See the Sample Terms of Reference at the end of this chapter.
- Provide a professional development budget for the board, and encourage board members to attend governance-related workshops.
- Find a champion among board members to lead the drive for improved governance effectiveness. Why a board member and not the CEO? Our experience suggests that CEOs who advocate for governance change are often wrongly perceived by their boards as seeking to gain more control over the organization, when in fact the opposite is true. A board truly governing the organization has greater control over its destiny, and is better positioned to hold the organization and the CEO accountable for organizational outcomes. A board member with a sincere desire to leave a mark on the organization is an ideal choice. Provide that individual with the information and support needed to become knowledgeable about governance and the options available, then allocate time on the board agenda for that individual to promote and advocate change.
- Budget the time and resources necessary to implement a governance model that defines the separate and distinct roles of the board and the CEO.



ABOUT THE AUTHORS

Sandi L. Humphrey, CAE, served as an association executive for over 20 years. Most of those years were spent as CEO of a not-for-profit association comprised of boards, where pursuing board effectiveness occupied a significant amount of her time. Ms. Humphrey now provides consulting services to the association community, with a particular emphasis on board governance, association structure, and accountability, and as a conference keynote and motivational speaker. She served as an instructor in CSAE's Certified Association Executive (CAE®) Program for 15 years, and now serves as editor of *Association™* magazine. Ms. Humphrey is the author of several highly regarded association and not-for-profit governance and leadership publications. Some of her works include *Best Practices and Tools for Not-for-Profit Boards*, *In Your Face! Canadian Association Leaders Share Candid Advice on Pressing Issues*, *Guide to Effective Committees*, *Making Your Mark as a Not-for-Profit Board Member*, and *Making an Impact as a Not-for-Profit Board Chair*. Each of these books is published by CSAE and available through the CSAE Bookstore at www.csaе.com.

Donald G. Evans is currently the editor of the *Journal of Community Corrections* and a contributing editor for the *Executive Exchange*. He is a retired civil servant who served in a number of senior executive positions in the Ontario Government. Mr. Evans was an adjunct professor at Woodsworth College, University of Toronto, for over 30 years. He has been an active volunteer for a number of years, and has served on various boards of not-for-profit agencies and associations. He has been president (chair) of the St. Leonard's Society of Toronto, the Canadian Training Institute, the International Community Corrections Association, the American Probation and Parole Association, and the Probation Officer's Association of Ontario. Mr. Evans has served on the boards of the John Howard Society of Toronto, the St. Leonard's Society of Canada, the John Howard Society of Ontario, and Boundless Ventures, and has also served on the Board of Governors of the American Correctional Association. His experience on boards has allowed him to see first-hand the good, the bad, and the ugly of board governance issues and not-for-profit organizational structures.