

Leadership **Roles** in Nonprofit Governance

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Book Nine of the BoardSource Governance Series



Introduction

Scrutiny of a flourishing and impactful nonprofit organization will most likely reveal board and staff leaders who provide the vision, guidance, and hard work needed to stay the course of the organization's mission. The responsibility to ensure strong and effective governance of the organization is without a doubt the most important responsibility facing nonprofit board and staff leaders today. These leaders are needed to make sure the board is doing its job.

SOME ALL-TOO-FAMILIAR PROBLEMS

Many serious problems can come to light when the board chair and chief executive fail to pay sufficient attention to effective governance. These include

- the board is largely unaware of problems involving the organization's finances, programs, and personnel
- individual board members regularly meddle in the work of the staff because they don't understand staff and board roles
- no one on the board wants or is prepared to assume the chair's role should he or she step down
- board meetings are sparsely attended, and those who are there rarely speak

Sound familiar? All of these are problems that at one time or another can affect *any* nonprofit organization. And they are problems whose solutions lie in the exercise of strong and effective board leadership on the part of the organization's board chair and chief executive.



THREE PILLARS OF EFFECTIVE LEADERSHIP

In order to fulfill their responsibilities to their organization and to each other, the board chair and chief executive need to keep in mind the three pillars of effective board leadership.

A shared understanding of the organization's mission and vision.

More than anything else, board leadership is about achieving a common sense among board and staff of where the organization is going. The board without a shared understanding of — and a passion for — the mission, vision, and values of the organization will not be able to purposefully set, accomplish, or oversee organizational goals.

Even board members who have served together for years often have very different ideas about an organization's *raison d'être* and its desired future. Why? Because they have never taken the time to explore together where the organization should be headed.

By convening mission-focused board retreats and engaging in other activities to develop consensus on the organization's mission and vision, board chairs and chief executives are taking the most important steps they can to ensure the organization's future success.

A clear sense of roles and responsibilities. In addition to agreeing on the mission and vision, chief executives, board chairs, and the rest of the board need a shared understanding of the very different roles they play in leading the organization. The question everyone needs to ask is this: What is policy and what is administration? Or, to put it another way, what is governance and what is management?

To the extent that board members and the board chair get enmeshed in administration issues, they are performing staff functions and, more likely than not, meddling. And, to the extent that the chief executive and other staff are adopting and implementing policies without strong input and agreement from the board, they are overstepping their authority and usurping the board's critical governance role.

While the leadership capacities and the skills of the individuals involved will in some ways influence their responsibilities, the important thing is for everyone to agree on who is responsible for what. (See Chapter 1 for a

more detailed discussion of the roles and responsibilities of the board chair and chief executive.)

Trust. Strong organizations depend on trusting relationships among the chair, the chief executive, and members of the board. An organization lacking in trust among its board and staff leaders will also be lacking in the transparency necessary for the board to fulfill its fiduciary obligations.

There is no better way to build trust than by communicating openly and often. For the chief executive, this means keeping the chair informed on a regular basis about opportunities, challenges, problems — *everything*. The chief executive must feel that the board is there to cooperate, to advise, and to set policies that are in the best interests of the organization. Any criticism must be accepted as fair and reasonable. At the same time, candor and frankness are vitally important; the pushover chief executive rapidly becomes an ineffective leader.

This book provides background information and perspective on what it takes to lead a nonprofit board today. Chapter 1 includes discussion of the specific roles and responsibilities of the board chair and chief executive in nonprofit governance. Chapter 2 describes some of the characteristics of the effective board chair, and Chapter 3 provides the same for the chief executive.

For the chair and board, building trust means resisting the temptation to take potshots or gossip and being open and honest about one's frustrations and feelings. When nonprofits get into trouble, it is often because someone is keeping secrets. The key to building trust is to create an organizational and board culture that won't stand for secrets.

1

THE CHAIR AND CHIEF EXECUTIVE: DEFINING THE ROLES

While there is usually broad agreement in many areas on the varying responsibilities of board chairs and chief executives, in other areas it is not so clear. Some examples follow:

- On the question of fundraising, an organization will want board members to be actively involved in ensuring that the organization has the resources it needs to achieve its goals — even though raising funds can be an administrative function.
- At smaller nonprofits, and some larger ones as well, it might be necessary for individual board members to become involved in budgeting, legal work, and other areas where the staff lacks expertise.

These are the gray areas of organizational leadership — areas where confusion can exist about who should be doing what. In order for an organization to achieve its goals efficiently and with a minimum of friction between the staff and board, it is essential for the board chair and chief executive to eliminate the confusion by making everyone's working roles crystal clear. One way to do this is by preparing written job descriptions that everyone can follow. (Please see the appendix for sample job descriptions for the board chair and chief executive.)



Here is a summary of the responsibilities of the board chair and the chief executive in several key areas.

Policy and planning. *The board chair*, in cooperation with the chief executive, works with the board to establish the guiding principles, policies, and mission for the organization — for example, by initiating a regular review of the organization's strategic plan and mission to keep them fresh and relevant, and by working with the chief executive and board to establish metrics to measure success. *The chief executive* and staff are responsible for carrying out the mission and implementing the strategic plan, in addition to providing administrative support for the board's policy-making activities. The chief executive also helps to create policies and guidelines for consideration by the board.

For more information about mission and planning, see book 6, The Nonprofit Board's Role in Setting and Advancing the Mission and book 7, The Nonprofit Board's Role in Planning and Evaluation in the BoardSource Governance Series.

Budget and finances. *The board chair*, working with the appropriate board members, oversees the budget of the organization and is ultimately

responsible for the integrity of its finances. One important responsibility of the board in this regard is to oversee independent outside audits and, as appropriate, internal audits as well. *The chief executive* proposes budgets to the board and is responsible for managing programs according to board-adopted financial policies and budget guidelines. Please see BoardSource Governance Series book 2, *Financial Responsibilities of Nonprofit Boards*.

Board meetings. *The board chair* leads and facilitates board meetings by making sure that the agenda is closely followed, that every board member has the opportunity to participate in discussions, and that the board uses proper decision-making procedures. *The chief executive* prepares the agenda for board meetings in close consultation with the board chair, ensures that board members have good and concise information and meeting materials, and participates actively in board meetings as appropriate.

For more information about effective meetings, see Structures and Practices of Nonprofit Boards, book 3 in the BoardSource Governance Series.

Committee work. *The board chair* is generally an ad hoc member of all board committees and works to structure a committee system that contributes to the board's overall effectiveness. *The chief executive* sits in on appropriate committee meetings and makes sure committees have the staff support and the information they need to do their jobs.

Board development. *The board chair* takes the lead in building and maintaining a strong board — by setting goals and expectations for the board, cultivating leadership among individual board members, and working with the governance or nominating committee to make board development a priority. *The chief executive* works closely with the board chair and committee leaders to put together programs and activities that nurture future board leaders while keeping all board members engaged in the work of the organization.

Board recruitment and orientation. *The board chair* works with the governance or nominating committee to identify and recruit new board members who bring important skills and knowledge to the board. *The chief executive* participates in board recruitment by helping to identify, cultivate, and recruit new board members, as appropriate, and by working with committee leaders to structure board orientations.

Board evaluation. *The board chair* is responsible for making sure the board has opportunities to reflect regularly on how well it is meeting its responsibilities to the organization — in part by overseeing a board self-assessment every three years or so. *The chief executive* works closely

with the chair and the governance or nominating committee to create an evaluation process that provides useful information and that helps the board do a better job.

Staff oversight, compensation, and evaluation. *The board chair* oversees the hiring, evaluation, and compensation of the chief executive and works to develop a succession plan for the chief executive's position — for example, by making sure that other staff members have the capabilities they need to lead the organization. *The chief executive* is responsible for oversight and evaluation of all other staff and is the arbiter of staff salaries.

Fundraising. Assuming that the organization must raise money to support its programs, *the board chair* generally guides the work of the board to secure funds. Among the chair's responsibilities are overseeing the development of fundraising policies for the organization; encouraging and supporting the fundraising efforts of the development committee, if one exists, and individual board members; and soliciting contributions from board members and selected outside contributors. *The chief executive* coordinates the organization's overall fundraising effort while personally soliciting potential donors, frequently in partnership with the board chair and other appropriate board members.

Public relations and communications. *The board chair* and the rest of the board should regularly promote the work of the organization in conversations, speeches, interviews, and other day-to-day activities. In the event of a controversy or crisis, only the chair can speak for the board. *The chief executive* is generally the official spokesperson for the organization. In partnership with the appropriate staff, the chief executive coordinates the organization's official public relations and communications program and supports board members' efforts, as appropriate.

Successful nonprofit leadership requires that an organization's board and staff understand and are committed to fulfilling their proper roles. The partnership is sustained when board and staff members respect and trust one another, are open and honest, and know that everyone at the table is motivated primarily by the well-being of the organization.



Questions the Board Chair and Chief Executive Should Ask

1. Does the board fully understand where the staff's roles and responsibilities lie?
2. Does the staff fully understand the responsibilities of the board, both individually and collectively?
3. If board members also function as direct service volunteers for your organization, are they clear about the divisions in their role as a board member and an individual volunteer?
4. Do conflicts arise in your organization between board and staff?
5. If staff members have a grievance, is it clear where they can go to be heard?
6. Do policies define the boundaries between decisions left to the board and those left to the chief executive?

There is no way around it: Effective organizations are led by effective boards and effective boards by effective chairs. Effectiveness, in this case, means keeping the board, the chief executive, and the entire organization focused on achieving its mission as efficiently as possible. In order to fulfill this job, board chairs should keep the following suggestions in mind.

Learn how to lead a good board meeting. The board chair is directly responsible for making board meetings efficient and worthwhile, and a good meeting begins with a good agenda. Working with the chief executive, the board chair should structure the meeting in a way that the discussion is focused around a select group of substantive, policy-related issues. Many boards now use the consent agenda so that meetings are not taken over by committee reports and the like. Whether or not their boards use the consent agenda, board chairs should remember that good meetings focus on the future, not the past.

The chair also should view board meetings as an opportunity for board learning and development. Board meetings are a wonderful chance to provide the board with a more detailed sense of the organization. Why not use a part of the meeting to provide board members with a compelling overview of a specific program area — for example, by introducing them to a client or community member who has been touched by the organization's work? The idea is to make board members feel good about their association with the organization by bringing its work to life.

Tips for Good Board Meetings

- Develop a good agenda that focuses the discussion on strategic topics.
- Start on time and end on time.
- Don't allow people to go off subject.
- Create time for board learning.
- Encourage everyone to speak up and feel comfortable.
- Keep things moving. If something comes up that can't be resolved today, don't dwell on it. Say you'll put it on the agenda for the next meeting.
- Have a sense of humor!

Build and maintain a good working relationship with the chief executive. As mentioned earlier in this book, trust is one of the three pillars of effective board leadership, and it depends on constant communication between the chair and the chief executive. The chief executive has obvious responsibilities for keeping the chair informed, but it is not up to the chief executive alone to build a good working relationship between the two.

The chair, first and foremost, needs to be readily available to the chief executive for consultation on the full range of issues. The goal of the chair should be to create a situation in which the chief executive has no qualms about getting in touch, whether the news is bad or good.

It is also important to remember that good working relationships are not built on phone calls and e-mails alone. The chair should make time to get together with the chief executive on a regular, face-to-face basis — and, whenever possible, over a meal so they can get to know each other better and have an uninhibited conversation.

The chair also should take the lead in seeing that the chief executive is evaluated each year, based on goals agreed to by the chief executive in partnership with the board. If the chair at any time doubts that the chief executive is up to the job of leading the organization, it is critically important not to make this public knowledge. The board chair must stand behind the chief executive unless and until a decision is made to find somebody new. The alternative is a fractured organization where staff and board are unable to come together to get things done.

Tip: Understanding the Organization's Finances. Finances are a life-or-death issue for nonprofit organizations, and the board chair, together with the rest of the board, has the ultimate responsibility for making sure the organization's finances are sound. The key, as in most other areas of board leadership, is to ask questions. If something in the organization's finances looks funny to you as the chair, then it will probably look funny to others. And, by asking your questions up front, you may be saving the organization you lead from a future crisis.

For more information, see Financial Responsibilities of Nonprofit Boards, book 2 in the BoardSource Governance Series.

Nurture agreement and understanding among the board about where the organization is going. Another of the three pillars of board leadership is a shared understanding of the organization's mission and

vision. In order to build that understanding, the board chair should work closely with the chief executive to make sure the board as a whole is in agreement on where the organization is going and how it will get there.

If a board wants to spend some quality time talking about the organization's mission and vision, there is no better way to do it than to get everyone together in person for a day or two and create an opportunity for facilitated dialog. Regular board meetings simply do not accommodate this type of discussion; there are too many distractions and too much other business on the agenda.

At least once every two years — and preferably on an annual basis — every board should have an opportunity to retreat together so board members can renew their commitment to the mission and direction of the organization and, whenever necessary, make changes to ensure its future success.

Know the organization. Of course, the job of the board chair is about more than making sure the organization is on track to meet its goals. The board chair sets the tone for the organization and, next to the chief executive, is its best-known public face. This is why it is so important for the chair to have an in-depth understanding of the organization's past and present, as well as its desired future.

Board chairs can draw on a range of sources to develop a better understanding of the organizations they lead. Conversations with past board chairs, reviews of any written histories of the organization, and a studied understanding of its current mission, goals, and programs all will help the chair do a better job.

In addition, a new chair should have no reservations about asking the chief executive to arrange briefings with key staff about programs, finances, fundraising, and other topics. As long as the chair views these as information-gathering sessions and not planning meetings, there should be no problem.

Work with the chief executive and the board to make sure the organization has the resources it needs to achieve its goals. Ask board members of nonprofit charities what they like to do least, and nine out of ten will probably give the same answer: fundraising. But no charitable organization can achieve its goals if it is not successful at collecting money to support its programs. Next to framing the mission and vision and hiring a chief executive, the most important job of the nonprofit board and its chair is to see that the organization has the financial and other resources it needs to do its work.

Does this mean that every chair or every board member has to become an expert fundraiser? Absolutely not. What it means is that board members and the chair should do everything in their power to support the chief executive and key staff in their fundraising activities, according to the development plan put forward by the staff.

The chair in particular can play a decisive role in identifying and cultivating prospective donors and encouraging other board members to do the same. Moreover, the chair and the rest of the board need to set a good example for others by making a financial commitment within their means to the organization and its work. This is critically important because most sophisticated donors want to know what the board is doing to support the organization before committing their own funds.

Recruit and develop board leaders. The ability of a nonprofit board to help an organization reach its goals depends entirely on the skills and knowledge of individual board members. One of the key responsibilities of the chair, in cooperation with the governance or nominating committee, is to identify gaps in the capabilities of the existing board and to recruit for new members who can fill those gaps.

If no one on the board has any financial expertise, for example, then it is a good idea to bring in someone with a banking or accounting background. It is also important to enlist board members who have access to financial resources that can support the work of the organization — either their own personal funds or the charitable funds of their organizations and their contacts in the community. Last but not least, the board chair, in cooperation with the chief executive, should regularly review other characteristics of the board as a whole — race/ethnicity, age, and gender — and recruit in a way that brings added diversity to the group.

Just as important as strategic recruiting is a strategic approach to developing the future leaders of the board. By appointing the most capable board members to important committee positions, the board chair, along with the rest of the board, can gain a better appreciation of their performance and commitment to the work of the organization. At the same time, the appointed board members begin to acquire the knowledge and skills that will make them strong board leaders in the future.

Make board effectiveness a priority. This book already has addressed the importance of retreats as a tool for developing consensus among the board on the organization's mission and goals. An annual or biennial retreat also provides an opportunity for the board to focus on its own goals for the period ahead. Working with an outside facilitator, the chair and the rest of the board can reach agreement on what they want to achieve as a group, and how they will do it.

Tip: Recruiting Top Talent to the Board. Many boards, especially boards of smaller nonprofits, aim lower rather than higher when recruiting new board members. They don't approach certain community and business leaders because they assume these people won't be interested or don't have the time to serve. However, you never know who will be interested in the mission of your organization, and there is nothing like a big-name board member to raise your organization's profile and open doors to new opportunities for funding, partnerships, and more. In most of these cases, the prospective board member will need to be cultivated before the ask, just as the organization would cultivate a potential major donor. The only caution here is to make sure the individual will be more than a letterhead board member and is ready and willing to devote the necessary time and attention to your organization.

Board effectiveness, of course, should be a year-round concern for the chair. Working with the governance or nominating committee, the chair should make sure that board development — including ongoing opportunities for learning, improvement, and reflection on how to do a better job — is embedded in the regular work of the board. Another helpful strategy is to establish specific written and agreed-to objectives for the board that can be measured on an annual basis.

In addition to these activities, every board should work with a facilitator to undertake a more formal board self-assessment every three years or so. Along with an evaluation of the full board's work, individual self-evaluations, including the chair's own assessment of his or her performance, should be part of the effort. It is the responsibility of the chair to initiate the self-assessment process, with the chief executive making sure the effort has the necessary administrative support.

For more information on evaluations, see The Nonprofit Board's Role in Planning and Evaluation, book 7 in the BoardSource Governance Series.



Questions the Board Chair Should Ask

1. Are board meetings productive, engaging, and worthwhile?
2. How can I build a stronger working partnership with the chief executive?
3. How much do I know about the organization's finances and programs?
4. Do board and staff leaders have a shared understanding of the organization's mission and goals?
5. Do individual board members have opportunities to learn and develop leadership skills and expertise so they can lead the organization in the future?
6. Does the board as a whole have opportunities to reflect on how it is doing, set performance goals, and monitor board performance?

3 THE EFFECTIVE CHIEF EXECUTIVE

The nonprofit chief executive needs to be a good manager, but the job description does not end there. In order to make sure the organization is able to achieve its goals as efficiently as possible, the chief executive must draw on a wide range of abilities, including the ability to forge a strong working relationship with the board chair and individual board members.

It all goes back to the three pillars of board leadership identified in the introduction to this book. To the extent that the chief executive and the board have a shared understanding of mission and vision, a clear sense of roles and responsibilities, and a high level of trust in each other, then the chief executive is well positioned to lead the organization to future success. The following are a few suggestions for how to get there.



Build and maintain a good working relationship with the chair.

Effective leadership of nonprofit organizations depends on constant communication between the chair and chief executive. Rule number one for the chief executive is to keep the chair informed of any and all important developments, both good and bad. As mentioned before, the chief executive who keeps secrets from the chair is putting his or her job at risk — and along with it, the ability of the organization to respond to whatever challenges may arise.

The chief executive also should look to the chair as a sounding board for new ideas and new initiatives. Instead of bringing something up out of the blue at a board meeting, the better approach is to try it out on the chair, ask how he or she thinks the board will react, and make changes based on the chair's reaction. The chair might not always support the idea, but at least the chief executive will know that it is an appropriate and welcome addition to the meeting.

One of the best ways for a chief executive to develop a good working relationship with the chair is to get together informally on a regular basis. There is no substitute for unstructured, out-of-office conversations in giving the chair a better appreciation of the issues facing the chief executive and his or her staff.

A final point about the relationship between the chief executive and the chair: In addition to developing a strong working partnership with the current board chair, the chief executive also must be prepared to accommodate different styles of leadership as board chairs change.

Develop a good relationship with the entire board. Almost as important as the chief executive's relationship with the chair is the chief executive's

relationship with the entire board. Particularly when disagreements arise about important issues facing the organization, the existence of strong, personal ties between the chief executive and individual board members can help to reduce tensions and increase the likelihood of a solution that everyone can live with.

In order to cultivate the trust and respect of the board, the chief executive should make an effort to meet personally with individual board members. The chief executive also can earn the board's esteem by making board service a rewarding experience for all. That means working with the board chair and the governance or nominating committee to make sure board members have ample opportunities to learn and pursue their individual interests while serving the organization.

Training opportunities, client site visits, and the like can build added buy-in among board members, as well as an added appreciation for the work of the chief executive and staff. And, by regularly seeking out advice from key board members and helping them play a leadership role on the board, the chief executive can contribute to the development and nurturing of the board's future leaders.

Tip: Creating Strong Board-Staff Partnerships. Chief executives should not be afraid to create opportunities for board members to interact with key staff. Although the chief executive should always be viewed as the primary link between board and staff, the organization can clearly benefit from open lines of communication between the two. This is especially true if the board has committees whose oversight roles dovetail with specific staff responsibilities, such as finance, program, and fund raising. One caveat: any requests of the staff from the board and board committees should come through the chief executive. This allows him or her to make sure staff time is not being squandered on redundant or unnecessary tasks.

Work with the chair to nurture agreement and understanding among the board and staff about the organization's mission and goals.

The board is ultimately responsible for setting the mission and overall goals of the organization, but the chief executive must be intimately involved in the process. Not only must the chief executive make certain the board has the information and the support it needs to plan for the organization's future, but he or she also can provide important, real world perspective on what's possible and what it will take in terms of

staffing and resources to achieve the board's goals. The chief executive also can help create the opportunities the board needs to engage in reflective, mission-related conversations — for example, by bringing in a facilitator for a board meeting discussion or arranging a board retreat.

Moreover, once the organization has an up-to-date mission and goals in place, it is the chief executive more than anyone else who must keep them front and center in the minds of the board and staff. Many nonprofit boards experience turnover rates of as much as 50 percent over just three or four years, and nonprofit staffs are notorious for turning over at similar or even higher rates. As a result, it is up to the chief executive, working in concert with the board chair, to make sure all members of the board and staff have a full appreciation of what the organization is working to achieve — and what everyone can and should be doing to help.

Work with the board to improve board effectiveness. Chief executives tend to think that board development is not their responsibility, but they ignore it at their peril. Chief executives, in fact, should play a leading role, along with the board chair and governance or nominating committee, in making sure board members have regular opportunities for training, self-assessment, and other activities aimed at helping the board do a better job.

Chief executives also can play an important role — again, in close coordination with the board chair and others — in identifying, cultivating, and recruiting new board members who bring needed skills and perspectives to the work of the group. By giving his or her full support to the work of the governance or nominating committee and providing a regular stream of suggestions about potential candidates, the chief executive can become a vital partner in building a strong board for the future.

Last but not least, although the nominating or governance committee has responsibility for structuring and overseeing board orientation, the chief executive can provide essential support to the process. In addition to working with staff to develop a concise set of informational materials for new board members, the chief executive should create opportunities to bring them into direct contact with the organization's clients, volunteers, and staff — all in an effort to instill in the board a fuller understanding of how the organization goes about its work.

Learn how to plan a good board meeting. The chief executive's primary responsibility when it comes to board meetings is to draw up a meeting agenda in concert with the chair. This sounds like a simple, *pro forma* task, but it is, in fact, one of the most important things the chief executive does to help the board work efficiently.

As mentioned earlier in this book, board meeting agendas should be structured in a way that focuses the board's attention on a select group of substantive, policy-related issues. Working with the chair, the chief executive should identify exactly what those issues are, what type of decision is expected from the board, and what information board members will need. Then, well in advance of each meeting, the chief executive should send out the appropriate back-up materials — not too much, not too little. The key is for the chair and chief executive to work out any differences on key issues in advance so the two leaders can present a united front at the board meeting.

Tip: Staff Participation in Board Meetings. Although it can make chief executives and boards nervous, structured staff participation in board meetings can be very helpful when staff members have specific input on various agenda items. Staff participation is good for staff morale and for building strong board-staff relationships, and it increases the chances that the chief executive will be able to answer board questions about finances, programs, and other issues that arise.

Communicate regularly with board and staff. Many boards of large, national nonprofits meet just three to four times per year. Smaller organizations will probably need to hold more frequent board meetings. Regardless of how often the board gets together, it is important for board members to remain in touch with the organization in between their regularly scheduled meetings. Chief executives can do an important service for the board, and for the organization as a whole, by keeping board members regularly apprised of the latest news from the organization. All it takes is a brief newsletter or e-mail once a month informing board members about program milestones, staff news, new funding, and other topics.

The chief executive, of course, also plays the leading role in keeping staff informed about the latest developments affecting the organization. In addition to staff meetings and other ongoing communications, a full staff briefing of some kind should be held after every board meeting to update the staff about key board decisions that were made — and to create a stronger connection in people's minds between the board's deliberations and the work of the staff.

Become a good fundraiser for the organization. Like it or not, the chief executive is the number one fundraiser for the organization. Does this mean he or she has to be an expert at cultivating and all the rest?

No. What it means is that the chief executive has to make a commitment to doing everything he or she can to make sure the organization has the resources it needs to achieve its goals.

Effective fundraising starts with a deeply held belief in the mission of the organization. To the extent that a chief executive is able to convey that belief to prospective donors, he or she is doing important work. The key is to understand one's limitations and to plan accordingly — whether by hiring a fundraising consultant or by enlisting the help of others, both within and outside the organization, to make the case for support. If the chief executive is uncomfortable or ineffective as a closer, there is much to be said for bringing along the board chair or another board member on prospect visits to do the job.

Keep a close eye on the organization's finances. When nonprofits get in trouble, it is usually because of financial irregularities. And, more often than not, the problems are largely unknown to the board. Although board members are ultimately responsible for ensuring the organization's financial stability, they cannot perform this role without good information and strong support from the chief executive.

Particularly in smaller organizations, it is often the case that the chief executive has minimal financial expertise. In these instances, it would be wise to bring in an expert to help. In the same way, chief executives of larger organizations should not rely exclusively on full-time financial staff to monitor the financial picture. Whenever possible, finances should be subjected to an additional level of review.

In some instances, this could be a board member with a financial background, while in other cases it might be an outside accountant. Whatever the case, the important thing is to have someone readily available, both to help the chief executive make sure everything's all right and to help him or her develop a clearer picture of organizational finances.

The importance of keeping the organization on a sound financial footing — together with the ultimate fiduciary responsibility of the board — argue for some financial expertise on the part of the board as well. If the current board does not include anyone with a finance-related background, the chief executive should work with the governance or nominating committee and the chair to identify, cultivate, and recruit a qualified individual who can fill the gap.

Good management is at the heart of what it means to be an effective chief executive. And an important part of good management has to do with identifying skill gaps within the organization and either developing the needed skills in-house or finding them somewhere else.



Questions the Chief Executive Should Ask

1. How can I build a stronger working partnership with the chair and individual board members?
2. Do board and staff leaders have a shared understanding of the organization's mission and goals?
3. Does the board have opportunities for training, self-assessment, and other activities that will help it do a better job?
4. Does this board have a good sense of what's happening in the organization — finances, news, programs, accomplishments?
5. Who are the board's potential future leaders, and what do they need so they are prepared to lead the organization?

Conclusion

Look at any high-performing organization, and you will find it is led by a board chair and chief executive who have developed a very close working partnership built on the three pillars of effective board leadership identified in this book: a shared understanding of mission and vision; a clear sense of roles and responsibilities; and a high level of trust.

Recent scandals show there is no greater challenge facing the nonprofit sector as a whole than to make strong nonprofit leadership a priority. When chief executives and board chairs come together to build better, more accountable nonprofit boards, all of society reaps the rewards.

Appendix

SAMPLE JOB DESCRIPTIONS

THE BOARD CHAIR

Position Summary

The board chair is the senior volunteer leader of XYZ Organization and presides at all meetings of the board of directors, the executive committee, and other meetings as required.

Key Responsibilities

Policy and planning. Works with the chief executive and the board to establish the guiding principles, policies, and mission for the organization — for example, by initiating a regular review of the organization's strategic plan and mission to keep them fresh and relevant, and by establishing metrics to measure success.

Budget and finances. Works with the appropriate board members to oversee the budget of the organization and assumes ultimate responsibility for the integrity of its finances — for example, by overseeing independent outside audits and, as appropriate, internal audits as well.

Board meetings. Leads and facilitates board meetings by making sure that the agenda is closely followed, that every board member has the opportunity to participate in discussions, and that the board uses proper decision-making procedures.

Board committees. Serves as an ad hoc member of all board committees and works to structure a committee system that contributes to the board's overall effectiveness.

Board development. Oversees efforts to build and maintain a strong board — by setting goals and expectations for the board, cultivating leadership among individual board members, and working with the nominating committee to make board development a priority.

Board recruitment and orientation. Works with the nominating committee to identify and recruit new board members who bring important skills and knowledge to the board.

Board evaluation. Works to make sure the board has opportunities to reflect regularly on how well it is meeting its responsibilities to the

organization — in part by overseeing a board self-assessment every three years.

Staff oversight, compensation, and evaluation. Oversees the hiring, evaluation, and compensation of the chief executive; and works to develop a succession plan for the chief executive's position — for example, by making sure that other staff have the capabilities they need to lead the organization.

Fundraising. Guides the work of the board to secure funds for the organization by: overseeing the development of fundraising policies; encouraging and supporting the fundraising efforts of the development committee and individual board members; soliciting contributions from board members and selected outside contributors; and setting an example by contributing his or her own funds to the organization.

Public relations and communications. Speaks for the board in the event of a controversy or crisis; oversees the development of communications policies; and works to promote the work of the organization in conversations, speeches, interviews, and other day-to-day activities.

THE CHIEF EXECUTIVE

Position Summary

The chief executive is responsible for the overall administration and management of XYZ Organization, including service programs, fundraising, and business operations.

Key Responsibilities

Policy and planning. Develops policies and guidelines for consideration by the board; works with the staff to carry out the XYZ mission and implement the strategic plan; and provides administrative support for the board's policymaking activities.

Budget and finances. Proposes budgets to the board and manages organizational programs and finances according to board-adopted financial policies and budget guidelines.

Board meetings. Works with the board chair to prepare the agenda for board meetings; ensures that board members have good and concise information and meeting materials; participates actively in board meetings as appropriate.

Board committees. Sits in on appropriate committee meetings and makes sure committees have the staff support and the information they need to do their jobs.

Board development. Works closely with the board chair and committee leaders to put together programs and activities that nurture future board leaders while keeping all board members engaged in the work of the organization.

Board recruitment and orientation. Participates in board recruitment by helping to identify, cultivate, and recruit new board members, as appropriate, and by working with committee leaders to structure board orientations.

Board evaluation. Works closely with the chair and the nominating committee to create an evaluation process that provides useful information and that helps the board do a better job.

Staff oversight, compensation, and evaluation. Oversees the work of all staff; evaluates staff performance; and oversees salary decisions.

Fundraising. Coordinates the organization's overall fundraising effort while personally soliciting potential donors, frequently in partnership with the board chair and other appropriate board members.

Public relations and communications. Serves as the official spokesperson for the organization; oversees the organization's official public relations and communications program; and supports board members' public relations efforts, as appropriate.