

From the Nonprofit Board Chair Seat

Are you a nonprofit Board Chair who has a board development or management issue, concern or challenge keeping you up at night (and who doesn't)? Let me know. I'll try to provide a response that can help you sleep better. So, please, send your questions to: mikeb@bwbsolutions.com. This on-going column is dedicated to questions and answers to simple and complex nonprofit governance challenges.

Question: I'm a new Board Chair and during our Executive Sessions (without the CEO at the end of every board meeting) we have been discussing: who is the boss of this place – the CEO or the board?

Answer: Who's the boss? Over what? The simple answer, I believe, is that the Board is indeed the "boss" over setting and ensuring (AKA) leading, the direction of the organization.

Board as Leader

In their book, *Governance as Leadership: Reframing the Work of Nonprofit Boards*, Ryan, Taylor and Chait propose that, "truly leading and governing involves fulfilling fiduciary and strategic roles in addition and more importantly, generative thinking."

To be clear, fiduciary involves fulfilling the duties of care (doing what any prudent person/group of people with similar responsibilities would do in similar situations but often in the form of compliance), loyalty (no self-gain) and obedience looking out for mission. Strategic is making decisions that are multi-year, fully informed and results (mission) focused.

Ryan et al propose that, "generative thinking drives all the other processes. It frames the problems that we solve; it determines what needs deciding before we make decisions. Generative suggests what's worth a strategy before we develop a strategic plan." They also pose that if boards are not involved in this generative thinking, they're not governing fully, and in turn, not leading.

All this clarifies on a macro-organizational level what the board is boss of but it likely does not address what the board is boss of on a more day-to-day level. **In the June 9, 2014 Board Café**, Jan Masaoka offers her insight about who is the boss.

Board as Boss

Jan Masaoka's answer to the question, "who's the boss: the board or executive director/CEO?" reveals that the answer depends on whether the board is acting as a body or board members are acting as individuals. The simple answer is that when the board acts as a whole, it is the boss and the executive is answerable to that body. When members act individually they typically work at the direction of staff.

Board members, individually, are not the boss of anyone except when, as volunteers, they have been given the responsibility to coordinate or supervise: then they report to the staff but direct those who report to them.

At this point I've identified "boss" as leader. However, Webster offers that "boss" is a person who exercises control or authority.

I propose that the concept of leader does not inherently specify control and authority and that the board by

necessity does actually have the role of boss in the context of employer of its one employee: the Executive Director/CEO.

A nonprofit board, as a whole and as a part of its fiduciary responsibility informed by strategic and generative governing, hires, reviews (performance) and can fire its employee. This means that the board is formally or technically the Exec's boss. But boss does not do full justice in describing the relationship between CEO and board.

Jim Collins (Good to Great: Social Sector) in a **Bridgespan e-interview** noted that in the social sectors there is a much more complicated governance and power structure (than in business) where it is rare that a single individual—not even the nominal CEO—has enough concentrated power to make the big decisions by him or herself. The CEO must be the architect of the conditions for the right decisions to happen, through the power of language and coalition and shared interests and artful persuasion. It's more like being Johnson in the Senate where you are but one of a hundred Senators, and if you try to "lead" the Senate like a corporate CEO, you will fail.

In recent years the concept of partnership has been introduced to describe what should be the relationship between board and CEO. I think partnership goes a long way to describe what can be a sound apportioning of the leadership responsibilities between CEO and board leading to my conclusion that what we really are discussing is two relationships: Partner-Leader and Boss-Leader.

Board as Partner-Leader

In one relationship, the CEO is the leading partner, who informs and influences such that the board can lead through generative and strategic thinking and action.

Board as Boss-Leader

In the second and equally important relationship and leadership role the board, primarily wearing its fiduciary hat but informed by strategic and generative thinking, is the "boss" over the CEO, hiring, evaluating and even firing the CEO. And, as the board's operational leadership partner, the CEO is "boss" of what goes on day-to-day.

The big challenge, and I leave this to the Board Chair, is managing these complex relationships ensuring that the board is fully aware of its roles and relationships at the proper time.

Mike Burns is a partner in BWB Solutions. He writes two blogs, and is adept at helping nonprofits develop solutions to internal challenges (especially board/CEO) and assess their readiness for mergers and revenue generating ventures.



Real Advisors Real Solutions



Whittlesey & Hadley accountants are different. We care about our clients, not just their numbers. Our insight and practical advice is original and has been etched into the region's nonprofit landscape for more than 50 years. Who wants ordinary results? Our independent perspective on financial statements, tax, and business advisory services renders innovative results that will change the way you do business.

Put your trust in advisors with real solutions. Let our knowledge create your next masterpiece.

WHITTLESEY & HADLEY, P.C.

280 Trumbull Street - Hartford, Connecticut 06103 - www.whcpa.com

Only One Payroll Service Understands Nonprofit and Government Agencies

PAYROLL

FOR NONPROFITS

Nonprofit and government agencies need a solution that can address their unique requirements. **PAYROLL FOR NONPROFITS** applies nearly two decades of nonprofit accounting experience to develop a true partnership with your organization.

- » accurate, relevant reports
- » HR tracking and reporting
- » GL reports and import

P: 877 417 9662 P: 203 643 8049 F: 203 286 2580
info@nppayroll.com www.nppayroll.com