

“Let's Work Together” - The Sweet Sounds of a Board-CEO Partnership



By Melanie Lockwood Herman

Executive Director

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On paper nonprofit boards and CEOs are required to work together. Typical CEO position descriptions include items such as:

- Keeping the board apprised of issues impacting the nonprofit's mission and necessary to govern,
- Reporting to the board at regular meetings and other times as necessary,
- Executing contracts per the authority granted by the Board,
- Developing and operating within the budgetary limitations and work plan approved by the board, and
- Consulting regularly with the officers and members of the board.

Customary board position descriptions generally include references to “supporting and supervising the CEO of the organization.”

Yet instead of making sweet music set to the upbeat tempo of a nonprofit's mission, many nonprofit boards find themselves working at odds with the appointed chief executive of their beloved organizations. If your nonprofit board doesn't always sing in harmony with your CEO, continue reading to explore:

1. The downside risks of failed or failing board-CEO partnerships;
2. The causes of board-CEO power struggles and mistrust;
3. The key elements of a successful board-CEO relationship; and
4. Action steps to get the board and CEO “in tune” and pitch perfect.

Downside Risks of Disharmony

When members of a rock band experience “artistic differences” back stage, the audience may not be aware of the personality clashes taking place behind the velvet curtain. The same is true in a nonprofit. When boards and CEOs squabble, some leadership teams are skillful at keeping the disagreement far from the view of major donors, members, participants, and other important stakeholders. And when board-CEO relationships reach a breaking point, many stakeholders will be caught by surprise.

In other cases, the collateral damage from a feud between the board rock band and the CEO “front man” may be evident to stakeholders in the front rows. The group most likely to perceive or glimpse board-CEO disharmony is the staff at the nonprofit. And when the CEO airs her frustration with the board or runs down her

band mates, the staff is certain to lose respect for the entire leadership team.

Some of the downside risks of an ineffective board-CEO relationship include:

- Wear and tear on staff/volunteer morale;
- Hesitancy by both parties to surface critical issues or challenges that require discussion and collaborative action;
- Deliberate action by either the board or the CEO that excludes the participation or perspective of the other;
- Untimely departures by members of the board who prefer to volunteer in nonprofits where the leadership team can harmonize; and
- Premature departure of the CEO who prefers a less stressful work environment.

Causes of Poorly Tuned Board-CEO Teams

Three reasons surface again and again in the review of unhealthy board-CEO relationships: (1) lack of trust; (2) ineffective division of labor; and (3) poor communication.

- **Lack of Trust** – Lack of trust is a common precursor to serious trouble in any relationship. As discussed in her article “The Board Chair-Executive Director Relationship: Dynamics That Create Value for Nonprofit Organizations,” (published in the Journal for Nonprofit Management), author Mary Hiland found that Chair-CEO relationships generally reflect one of three levels of trust. The lowest level of trust stems from specific rewards or punishments. This type of trust is situational; the board may trust the CEO in certain, but not all cases. Although this type of trust may be adequate for some workplace relationships, high-performing nonprofits need and deserve more. The second level of trust exists when board members and CEOs know each other well enough to be confident in each other’s personalities and competencies. This level of trust promotes respect, effective communication, and a willingness to be vulnerable. These characteristics encourage leaders to take risks to meet or exceed performance expectations. Think of this level like the Sammy Hagar era of Van Halen. After David Lee Roth left the band, Hagar assumed the role of lead singer and needed a chance to prove his talent. Because he had earned the band’s trust, the new line-up worked together and soon achieved their first No. 1 album on the Billboard charts. Once the CEO and board members demonstrate mutual respect, communicate well, and are comfortable being vulnerable, they can ascend to the highest level of trust. At the third level of trust leaders truly identify with one another. How does this differ from the second level? At the second level, a CEO will be able to predict how the board will react to her proposal to scale-up a successful program. Once they have reached the third level, the CEO will be able to internalize board member preferences. The CEO and her board will work together as a seamless entity. And on a good day, the board-CEO connection will feel like a family with an unbreakable bond, like the relationship between Seattle rockers Ann and Nancy Wilson of Heart.
- **Ineffective Division of Labor** – In the Rob Reiner rock spoof film, This is Spinal Tap, two band members who began their careers as devoted partners drift apart, and wind up vying awkwardly for creative control of the band. An unclear division of labor is a common cause of turmoil between boards and nonprofit CEOs. Many CEOs complain that their boards are “too operational,” and become testy when questioned by the board about operational issues. Boards complain that CEOs keep them in the dark until a challenging situation has spiraled out of control, necessitating board action. The underlying cause of both complaints is an ineffective or unclear division of labor. When the CEO and board repeatedly step on each other’s toes, the awkward result is jarring to the senses of any stakeholder audience.
- **Poor Communications** – When boards and CEOs fail to communicate, or when communication is sporadic, stingy or overly formal, it’s impossible to produce award-winning results. Board members and CEOs that aspire to best-in-class governance and management must commit to communicate openly, even about issues that make either or both sides a bit uncomfortable. Ignoring unmet needs and expectations for information by members of the board or the CEO is a common lead-up to a break-up of the team.

Must-Have Qualities of a Successful Board-CEO Pairing

- **Constructive Partnership** – Association consultant Jeff De Cagna says that a “constructive partnership” is the foundation for a healthy relationship between the board and CEO. He explains that such a partnership exists when there is a “mindset of interdependence and a culture of shared responsibility.” Jeff’s words of wisdom remind us that boards and CEOs should feel that “we need one another” and “we’re in this together.”

- **Clear Expectations** – Establishing clear roles and expectations is essential to building and sustaining harmony between the board and CEO. Striving for clarity does not mean ensuring no overlap: as band mates on the leadership team there may be overlapping as well as complementary roles. Although Ringo Starr didn't write the tune "Yellow Submarine," his vocal style was a perfect fit for the children's song penned by Beatles band mate Paul McCartney. The key to clear expectations is to discuss and agree on roles and responsibilities, and to get comfortable with changing the line-up to meet needs and circumstances.
- **Strategic Thinking** – Both the board and the CEO must engage in strategic thinking to lead a nonprofit to success. Great CEOs help their boards focus on strategic issues by bringing strategy-related questions to the board table, and by resisting the all-too-common act of putting operational matters on the board's set list. Many CEOs who complain bitterly about their "operational" boards are in fact responsible for that governing style. How? They repeatedly present detailed operational plans and are offended when the board chimes in.
- **Culture of Candor** – A fourth essential note in any composition about great board-CEO relationships is a culture where polite candor is alive and well. The business of governing and leading a nonprofit is too complex and important to sweep difficult issues under the rug. Boards and CEOs that can't be honest with each other have no hope of making beautiful music together.

Action Steps to a Pitch Perfect Leadership Team

STEP 1. Make 'We're in This Together' Your Theme Song – To achieve the "constructive partnership" touted by Jeff De Cagna, the board should acknowledge its dependency on the CEO, and the CEO should acknowledge her dependency on the board. The board chair should not permit another member to speak derisively about the CEO but instead insist that performance concerns be addressed openly and professionally. The board chair should encourage the CEO to bring any concerns about the performance of individual board members or the body as a whole back to the board. In some nonprofits, a Governance Committee or Executive Committee plays the "heavy" in enforcing board member responsibilities. Or in the case of a poor performing CEO, direct feedback may be delivered on the board's behalf by the Personnel Committee.

STEP 2. Replay and Remix the Board and CEO Position Descriptions – Revisiting position descriptions at least annually is a great step to strengthen the relationship between the board and CEO. As the nonprofit evolves the roles and responsibilities of the CEO are likely to change. When the expectations of the CEO change, the role of the board changes as well. Don't treat these documents like treasured historical artifacts: update them as needed to keep expectations relevant and clear.

STEP 3. Flip Your Board Agenda – Instead of beginning every meeting with the customary list of routine committee reports, start your board meetings with a lively discussion of focus, direction and strategy. Tap into the energy members bring at the beginning of a board meeting, and leave the routine pieces to the end of the meeting. One benefit of this structure is that any members who have to leave early won't miss an opportunity to weigh in on the big picture questions. Another benefit is that by putting the challenging, truly interesting material at the front end, habitual late-comers will be incented to arrive on time. Finally, by scheduling discussion and action on strategy at the beginning of the meeting, you will send a message that strategy setting is what governance is all about in your nonprofit.

STEP 4. Actively Seek Ways to Build Trust and Fellowship – Encourage members of the board and the CEO to speak openly and honestly. Allow time for the board and CEO to get to know and appreciate each other's personal qualities and work ethics. Social time involving the board and CEO isn't a missed opportunity to work-it provides a solid foundation on which great decisions will be made in the future.

Many nonprofit leadership teams go on stage night after night with the smooth harmonies of groups like the Everly Brothers, Electric Light Orchestra, or the Mamas & The Papas. Other teams experience the kind of in-fighting and turmoil that necessitated line-up changes for groups like Journey and Van Halen. Whether your adoring public clearly sees or is blissfully unaware of the relationship between key leaders, your mission deserves a commitment to make that relationship the best it can be. A great relationship between the board and CEO offers a foundation on which to build and grow. You'll not only find it easier to recruit talented board members as new volunteers, you'll also find it far easier to hang on to the great performers already on the board.

If you want to transform your dysfunctional garage band into a legendary board-CEO team headed for the Rock and Roll Hall of Fame, make a commitment to “come together right now” to create the close-knit, trusting band your nonprofit’s mission needs and deserves.

Melanie Herman is Executive Director of the Nonprofit Risk Management Center. Erin Gloeckner is NRMC’s former Director of Consulting Services.