

The Best Boards Stay in Their Lane. Here's How.



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“Hello, I’m the CEO of a nonprofit. My board has a hard time staying in its ‘lane’ and frequently veers into mine. That’s risky. Any tips?”

“Hi, I’m a member of a nonprofit board. Our CEO is often defensive when we ask her questions about operational details. She tells us that our job is ‘oversight’ but we can’t provide oversight if we’re in the dark. And it feels awfully risky here in the dark. Do you have suggestions on how we can get what we need instead of pushback and posturing?”

These fictitious Risk Help questions are grounded in hard truths: the real life stories callers tell us every year about the risks that live in the relationship between an earnest CEO and their “well-intentioned but often off base” Board. While many Affiliate Members and consulting clients call us to chat about operational, external and even strategic risks, we receive an awful lot of calls and emails seeking help with risks that arise in board/staff relationships.

If You’re a CEO, Join Someone’s Board

If you’re a nonprofit CEO who isn’t also serving on someone else’s board, resolve to join a board this year if your personal and professional responsibilities allow. Many nonprofits in your community can benefit from your unique perspectives and insights. And every hour you spend in a volunteer role will help you see and understand your board better. CEOs with hands-on experience as board members are simply better CEOs.

3 Governance Risk Imperatives

Our experience as risk advisors, paid staff, and active volunteers provides three unique lenses through which the NRMC team sees and understands the thorny risks that threaten promising nonprofit missions. We wear all three hats when you reach out for guidance. Here are some of our practical strategies, gleaned through lived experience.

#1: Make board service meaningful.

Resolve to provide a clear purpose and focus for your Board. With rare exception, most humans want a job, a passion, a task, a purpose. That includes board members. If their purpose and value isn’t clear, some trustees

will forage for something to focus on. And because humans are naturally experienced managers (think families, schedules, grocery lists) they will likely find an activity that looks and sounds like a management task. We recently reviewed a Committee Charter that devoted 4 pages to explaining how often the committee meets, quorum requirements, membership criteria and other minutiae. Roles and responsibilities were not mentioned until page 5. The absence of purpose increases the risk that the committee will stray outside its lane.

Some of our favorite Board risk-inspired tasks that keep the board on track are:

- Reflecting on and discussing whether the organization is taking enough risk to advance its mission.
- Contributing unique perspectives and lenses to a discussion of the nonprofit's dynamic risk landscape: what risks does each board member see and experience from their perch in the world?
- Discussing whether staff reports inspire a sense that management has taken a thoughtful, risk-aware approach to building resilience for what's next.
- Considering whether the nonprofit's overall financial health is strong and improving. If the answer is "no," discussing what the board can do to support, champion and contribute to strategies to build financial good health and resilience.
- Discussing what the board can (and must!) do to streamline governance practices to make board service appealing to a truly diverse array of brilliant, busy people.
- Sharing and discussing board member views on the most promising direction and opportunities to fulfill the nonprofit's core purpose.
- Providing support, encouragement, and honest feedback to the CEO of the nonprofit, both one-on-one and during formal feedback processes. CEO evaluation? 100% of the board must participate. No exceptions.

#2: Open the windows and doors.

Some CEOs shirk from opening the doors and windows of the organization due to fear that openness and over-sharing is a slippery slope. "If we show the board how the sausage is made, they will want to suggest changes to the ingredient list, re-work the production line, and worse." The unwillingness to show or explain how things work will not protect you from a board member with a strong opinion. It will only foster skepticism, cynicism and an unsettling sense that you're trying to hide something. Members of a nonprofit board have moral, legal and ethical responsibility for the health and well-being of the organization. Volunteers can't reassure themselves that an organization is healthy if they are shielded from diagnostics that illustrate gaps and opportunities to improve.

#3: Lead with trust.

Others will trust you if you trust them first. Trust is the glue that binds lasting relationships; mistrust is a recipe for board-staff unrest. There are many ways to build trust between the Board and CEO. Some of my favorite strategies include:

- *Always include an executive session on the board agenda.* The last 30 minutes of your regular meeting should be set aside for a short executive session where the CEO steps away. This is not a griping opportunity! It's a chance for the Board Chair to ask: "Is there anything we need to talk about as a Board? Are there any concerns we have that we have been uncomfortable expressing in the presence of staff?" While the answers may be "no" from time to time, the scheduling of these executive sessions is a way for the CEO to demonstrate that he trusts the board to meet without him.
- *Schedule trust-based check-ins between the board chair and CEO.* An example would be bi-weekly or tri-weekly touch base calls between the Chair and CEO. A key topic might be "Is there anything you want me to know, as Board Chair, or an area where you need a sounding board?" During these conversations, the Board Chair should listen with empathy and offer advice and feedback, if asked. These are confidential, trust-based conversations where the CEO might simply need to vent. Another topic is "How can I support you?" When trust has been established, the CEO may ask for help reining in a board member who is operating outside the scope of their role, or guidance on handling a difficult HR issue. The focus should be on support, not direction. As trust grows, the CEO should feel comfortable asking, "Is there anything I could or should consider doing as our chief staff leader?"
- *Demonstrate trust with a generative segment on every board meeting agenda.* Many board agendas are tightly scheduled and scripted to assure the CEO that everything will go as planned and the board will stay in its lane from beginning to end. Show that you trust your board and want to learn from their perspectives by beginning every meeting with a generative segment. The purpose is to see what comes

to light. Put an interesting and timely topic on the table and find out what everyone thinks. Presentation and motion-free, these segments will wind up becoming the most interesting and anticipated parts of each board gathering.

Choose 3 Memorable, Mission-Relevant Governance Pillars

An [article recently published by ASAE](#) cites the work of Mark Engle, who has been working to distill governance “down to three pillars—strategy, structure, and culture.” I like the idea of simplifying how we understand the governance role of the board. In the article Engle is quoted as saying “We need to be careful, or various things can really undo what a board is trying to achieve. That means having a mindset of asking what we’re doing with strategy, what you’re doing with structure, and what you’re doing with culture.”

What 3 pillars would you choose? An alternative set of pillars might be:

Direction, Values and Strategy: this mix signals the board that it has ultimate responsibility for determining the nonprofit’s direction, its fundamental values, and the priority strategies to achieve its mission.

Additional pillars that might sync more effectively with your mission include:

- *Support:* The members of a nonprofit board should bolster the success of an organization by providing support, in many forms. That includes supporting the CEO and providing feedback.
- *Expertise:* Many board members are recruited for the subject matter expertise they can bring to the board room. If that’s a key expectation of your board, maybe it should rank as one of your three pillars.
- *Connections:* Some of the most effective boards consist of leaders with strong ties to the constituencies and communities that matter deeply to a nonprofit’s mission and success.
- *Resources:* Many board members are expected to contribute financially and open doors for contributions by others. If resource generation is a top priority for your board, including resources as one of your three pillars reinforces that message.

As an enthusiastic member of two nonprofit boards, and full-time nonprofit CEO, one of my biggest challenges is finding focus in a sea of interesting tasks, expectations, roles and opportunities. There’s so much I want to do, learn and contribute, but I need to find ways to zero in on things that I’m well-suited for, or where my perspective and skills truly add to the mix. As you imagine the board your mission deserves, consider what you might do—or stop doing—to make your vision a reality. For some of us, that means speaking plainly about what we need. For others, it means speaking up when we feel inclined to be quiet. And for others, it means pruning our expectations back to focus on three strong pillars that will energize the board to be the mission booster—not micromanager—we need.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your insights on building trusting Board-CEO relationships at 703-777-3504 or melanie@nonprofitrisk.org.

Additional Resources:

[“If Board Meetings Don’t Change You, You’re Doing It Wrong,”](#) – NRMCC, Risk eNews

[“Not So Great Governance? Resolve to Reinvent the Board”](#) – NRMCC, Risk eNews