Transforming Board Practice

Becky Bowen She is an attorney and has served several nonprofit organizations in various capacities, including communications director, general counsel and executive director. She currently is a Co-Director of Carolina Common Enterprise, a nonprofit cooperative and community development center.

Jessica Katz Jameson is an Associate Professor in the Department of Communication at NC State University. She teaches courses and conducts community-engaged research on the topics of organizational communication, conflict management and nonprofit leadership. She chairs the Academic Council for the Institute for Nonprofits and serves on the Extension, Engagement and Economic Development task force for the College of Humanities and Social Sciences.

Susan Scherffius Jakes is the Associate State Program Leader for Community Development, an Extension Assistant Professor with NC Cooperative Extension and an Adjunct Professor in Psychology at North Carolina State University. She received a Ph.D. in Community Psychology from North Carolina State University.

Mary Tschirhart is a Professor of Public Administration at The Ohio State University. She served as Director of the Institute for Nonprofits and Professor of Public Administration at NC State University from 2008-2013. She has published extensively on nonprofit topics including board governance. She recently co-authored a text titled *Managing Nonprofit Organizations*. Dr. Tschirhart has served on six nonprofit boards in a variety of roles, including president, and led a nonprofit as its executive director.

Module 3

Introduction to Governance and Board Structure
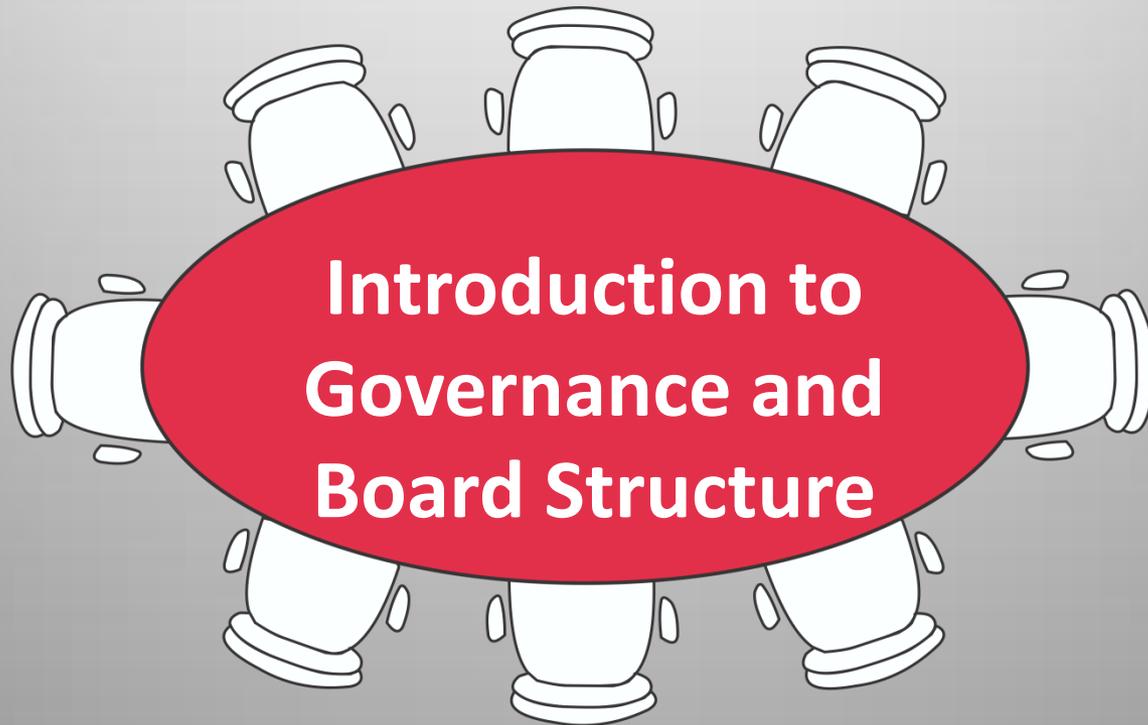
Goals for this Module

Participants will be able to:

- Define the difference between Governance, Management and Work
- Describe the Board structure of their organization and clarify their main role
- Articulate the boundaries between their Board, CEO and staff
- Understand and use self-evaluations tools

TBP

Activity

The Distinction between Governance and Operations

See Worksheet 3.1

Governance Responsibilities

- Determining organization mission, purpose, and structure
- Selecting, supporting, and evaluating the chief executive
- Planning for the organization's future
- Determining, monitoring, and strengthening the organization's programs and services
- Providing fiscal oversight

TBP

Governance Responsibilities (cont'd)

- Ensuring adequate financial resources
- Facilitating access to and ensuring effective and efficient management of key resources
- Serving as a liaison to the organization's stakeholders and its external environment
- Strengthening the board's own effectiveness
- Ensuring legal and ethical integrity

TBP

Governance vs. Operations

Core BOD responsibility is governance, but operations must get done too.

Boards and CEOs must negotiate appropriate balance for their organization.

Three functions to be negotiated:
- Governance
- Management
- Work

TBP

Activity De-Brief

1. Discuss the type of board you have – what are their primary tasks?

2. Is the division of labor between board, CEO, and staff formally or informally designated?

3. How do people know what they are supposed to do?

4. Do you identify with any of the following board types?

TBP
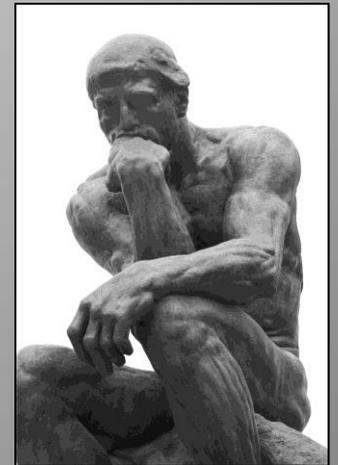
Board Structures (Gill, 2005)

<u>Traditional</u>: Board governs and delegates management to CEO/Executive staff

<u>Management</u>: Board governs and manages, work is delegated to staff coordinator & staff

<u>Operations</u>: Board is responsible for governance, management, and work

<u>Advisory</u>: Selected & Dominated by CEO, governs to legitimize the organization

<u>Collective</u>: Board & staff make decisions as a team

TBP

Board-Staff Relations

- How well do your board members know your organization?
- Would your staff members recognize the members of your board?
- What routine opportunities exist for board-staff interaction?
- How is this working for you?

TBP

Board-Staff Communication

- Develop channels of communication
- Invite board members for an office tour
- Invite staff to board meetings
- Consider combined strategic planning meetings
- Make sure board members know what the staff do; and vice versa

TBP

CEO Evaluation

- What are the challenges for board members when evaluating the CEO?

- What are the challenges for the CEO?

- What are the challenges for the staff?

TBP

Tips for Evaluating the CEO

- Conduct an annual performance review
- Include staff feedback
- Create annual expectations that can be measured
- This should be a formative assessment. The CEO wants praise and constructive feedback.
- If the assessment is performed routinely and consistently it is easier

TBP

Questions for Great Governance
(adapted from *The Strategic Board*)

1 **Where are we going?**

2 **Who does what?**

3 **How will it happen?**

4 **Did it happen?**

TBP

Board Tools

Where are we going?

- Values statement
- Vision statement
- Mission statement
- Imperatives
- Strategies and Goals

TBP

Board Tools

2 **Who does what?**

- Board job descriptions
- Committee and advisor job descriptions
- Bylaws
- Meeting minutes
- Board orientation
- Board development

TBP

Board Tools

3 **How will it happen?**

- Policies

- Bylaws

- Executive Limitations

- Plans

- Board Improvement Activities

Board Tools

4 **Did it happen?**

- ╫ Financial statements and audits
- ╫ Program evaluations
- ╫ Organization evaluation
- ╫ Board self-assessment
- ╫ Executive appraisal
- ╫ External reviews and feedback

TBP

Board Syndromes

- **Boiling Frog**
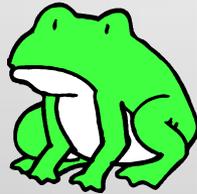
- **Don't Rock the Boat**

- **Us versus Them**

- **Non-system Thinking**

Paths to Board Excellence

- Focus on the important questions

- Use tools

- Avoid syndromes

- Other

Evaluation

What are the key points of this module?

- What did you find most useful?

- What can we improve upon?

- Other items you want us to cover?

TBP

TIME FOR QUESTIONS

Curriculum Modules

Module 1: Foundations for Transforming Board Practice

Module 2: Legal and Recruitment Issues

Module 3: Governance and Board Structure

Module 4: Enhancing Board Engagement

Module 5: Constructive Conflict

Module 6: Thinking Strategically

Module 7: Asking the Right Questions

Module 8: Board Meeting Communication

TBP

Curriculum Modules

PDF copies of the curriculum modules are

available for viewing on the

NC Thrive portal:

http://communitydevelopment.ces.ncsu.

edu/local-government-nonprofits/

References

Gill, M. D. (2005). *Governing for results: A director's guide to good governance*. Victoria, Vancouver, CN: Trafford.

Holland, T.P. & Jackson, D.K. (1998). Strengthening board performance: Findings and lessons from demonstration projects. *Nonprofit Management and Leadership, 9*(2), 121-134.

Masaoka, J. (1999). *All hands on board: The boards of directors in all volunteer organizations.* Washington, DC: BoardSource.

Miller-Millesen, J. L. (2003). Understanding the behavior of nonprofit boards of directors: A theory based approach. *Nonprofit and Voluntary Sector Quarterly, 32*(4), 521-547.

Stone, M. M., & Ostrower, F. (2007). Acting in the public interest: Another look at research on nonprofit governance. *Nonprofit and Voluntary Sector Quarterly, 36*(3), 416-438.

TBP